DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

FOURTH SESSION—FOURTEENTH PARLIAMENT

15-16 GEORGE V, 1925

VOLUME II, 1925

COMPRISING THE PERIOD FROM THE ELEVENTH DAY OF MARCH TO THE FOURTEENTH DAY OF APRIL, 1925, INCLUSIVE

BEING

VOLUME CLXVI FOR THE PERIOD 1875-1925

INDEX ISSUED IN A SEPARATE VOLUME



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

HOUSE OF COMMONS

DEBATES

OFFICIAL REPORT

DOMINION OF CANADA

CANADA

House of Commons Debates

OFFICIAL REPORT

Wednesday, March 11, 1925

The House met at three o'clock.

REPORTS AND PAPERS

Copy of report for the year 1924 of positions excluded under the provisions of section 38B (2) from the operation of the Civil Service Act, 1918, as amended by chapter 22, 11-12 George V.—Hon. Mr. Copp.

PRIVATE BILL

FIRST READING

Bill No. 24, to amend The Toronto Harbour Commissioners Act, 1911.—Mr. Church.

OCEAN SHIPPING RATES

Mr. S. W. JACOBS (George Etienne Cartier): Mr. Speaker, I desire to lay before the House a petition of the Montreal Board of Trade referring to the Petersen ship subsidy bill; also a petition of the Montreal Corn Exchange referring to the same matter.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CIVIL SERVICE APPOINTMENTS, 1924

Mr. HOCKEN:

How many appointments were made to the civil service of Canada by the Civil Service Commission during the calendar year 1924?

Hon. Mr. COPP: During the calendar year 1924, 1,571 appointments were made by the Civil Service Commission, to fill vacancies caused by death, resignations or otherwise, and 250 additional appointments. Of the total appointments made 299 were postmasters and 177 seasonal appointments required owing to a large number of positions abolished in the process of re-organization.

COLD STORAGE PLANT, MONTREAL

Hon. Mr. STEVENS:

1. Who prepared plans for the Harbour Commission's cold storage plant, Montreal, and what was the engineer's estimate of cost?
2. Were tenders called for the erection of said cold storage plant, and, if so, in what manner?
3. How many firms tendered, and what are the names of such firms or individuals?
4. What was the amount of the lowest tender?
5. At what figure was the contract awarded, and to whom?
6. What is the total cost to date, based on engineer's approved certificates?
7. How much has actually been paid to said contractor?
8. Has contract been completed? If not, what still remains unfinished?

Hon. Mr. CARDIN:

1. Mr. F. W. Cowie, Chief Engineer, Harbour Commissioners of Montreal, and Harold Rolph, representing the John S. Metcalf Company, Ltd., Montreal. Preliminary bulk estimate approved P.C. January 30, 1919, $900,000. Detailed estimate approved P.C. May 7, 1919, $1,400,000, as follows:

Refrigeration and Equipment.... ..	$485,620
Excavation and Piling Foundation..	100,000
Superstructure..	736,411
Power House ⅔ cost..	77,969

2. On March 22, 1920, tenders were called for the superstructure only, by public advertisement in the local English and French newspapers.

3. Five, as follows:

1. E. G. M. Cape & Co. Ltd., Montreal, P.Q.
2. G. D. Loomis & Sons, Montreal, P.Q.
3. The Atlas Construction Co., Montreal, P.Q.
4. Geo. A. Fuller Co. Ltd., Cleveland, Ohio.
5. P. Lyall & Sons Construction Co., Montreal.

The Commissioners' Chief Engineer, Mr. F. W. Cowie, made a proposal for the building of the superstructure above tendered for, to be carried out by the harbour commissioners organization, with the co-operation of the John S. Metcalf, Ltd., Montreal, at an estimated cost of $957,174, including co-operation fees, &c.

4. Lowest tender for superstructure, $1,357,000, the John S. Metcalfe fee of 5 per cent for plans, specification and estimates, not inincluded.

5. No award was made. The commissioners gave orders to carry out the whole work departmentally under the direction of Mr. F. W. Cowie, Chief Engineer. The work on the superstructure to be under the superintendence of the John S. Metcalf Company.

6. Cost to date, $2,930,723.38, as follows:

Refrigeration and equipment	$1,290,494 62
Excavation and piling foundation	125,526 73
Superstructure	1,350,308 42
Power House ⅔ cost	164,393 61

7. For plans, specifications, superintendence and co-operation, $60,705.42, was paid to John S. Metcalf Co. Ltd.

8. Building was completed by harbour commissioners' organization, and plant was put in operation in May, 1922.

NO. 3 ELEVATOR—MONTREAL

Hon. Mr. STEVENS:

1. Who prepared plans for No. 3 elevator, Montreal, and what was the engineer's estimate of cost?
2. Were tenders called for the erection of said elevator, and, if so, in what manner?
3. How many firms tendered, and what are the names of such firms or individuals?
4. What was the amount of the lowest tender?
5. Was the lowest tender, or any of the tenders, accepted? If not, for what reason?
6. Was a contract later given to Metcalf & Company?
7. What did such contract include?
8. Were tenders called for this changed or amended contract?
9. What were the terms and amount of said contract?
10. What was the engineer's estimate of amended plan, and who prepared the plans?
11. How much has been paid to Metcalf & Company (a) to prepare original plans; (b) to prepare amended plans; (c) as commission as supervisors?

Hon. Mr. CARDIN:

1. The original plans were prepared by The John S. Metcalf Coy., Ltd., grain elevator engineers, Montreal, their estimate being the sum of $2,347,000, not including percentage for plans, estimates, engineering, superintendence, etc.

2. By public advertisement, on 10th March, 1923, in all the English and French local newspapers.

3. Seven firms,—

(1) E. G. M. Cape & Coy., Montreal.

(2) Atlas Construction Co., Ltd., Montreal.

(3) John Quinlan & Co., Ltd., Montreal.

(4) Downing, Cook & Coy., Montreal.

(5) Quinlan, Robertson & Janin, Ltd., Montreal.

(6) Barnett, McQueen Co., Ltd., Fort William.

(7) Fegles Construction Co., Ltd., Fort William.

4. $3,217,500. Jno. S. Metcalf Company's fee of 5 per cent for plans, specifications and estimates not included.

5. No tender accepted. Bids were too high.

6. Yes, on 17th April, 1923.

7. Plans, estimates, superintendence of work, preparation of bids for materials, tabulation and reports on same, provide at own expense all large items of working plant, and to assume full responsibility for satisfactory work.

8. Tenders were called on amended plans only.

9. Plans and specifications, 2½ per cent, and engineering superintendence, 7½ per cent, or 10 per cent in all on an amount not exceeding $3,000,000.

10. $3,194,500, including the 10 per cent for plans, superintendence, etc., as above mentioned in item 9.

11. (a) (b): Amended plans and original plans, included in original contract—(2½ per cent).

Amount paid to 31st Jan., 1925	$ 72,888.30
(c) Amount paid to 31st Jan., 1925	160,617.49
(5½ per cent) or total of	$233,505.79

2 per cent being held back until final acceptance.

POTATO EMBARGO

Mr. HANSON:

1. Has the government any knowledge of the report as published in newspapers of the 7th and 21st instants, that an embargo against Canadian potatoes has been placed by the British government?
2. If so, what action, if any, does the government propose to take to have this embargo removed?
3. What action, if any, did the government take to prevent this embargo taking effect?
4. Does the embargo apply to potatoes grown in the United States?
5. If not, what is the attitude of the British government with reference to the importation of potatoes from the United States?

Hon. Mr. MOTHERWELL:

1. Yes, the report is correct.

2. 3. When the possibility of the embargo was first reported, the following cable was sent to the High Commissioner: "Unofficially reported here that British ministry contemplate putting embargo on Canadian potatoes because of presence here of Colorado beetle. This beetle has been in Canada for half century and to take objection to it now would be extremely unfortunate and untimely in view of recent action of United Kingdom looking to promotion of inter-Empire trade by establishing marketing committee upon which dominions have been invited to appoint representatives. Urge you have any such suggested action stayed until whole situation is carefully surveyed from all angles as another ill advised cattle embargo incident would be unfortunate."

The following is a quotation from a letter addressed by the High Commissioner to the Right Honourable Lord Bledisloe, Ministry of Agriculture and Fisheries: "I am enclosing a little article which appeared in the Manchester edition of the Daily Mail yesterday headed "U.S.A. Bacon".

You will notice in the last paragraph of this an allusion to potatoes, in case American potatoes should find their way via Canada to this country. As a matter of fact this would be commercially impossible because the duty on potatoes from the United States to Canada is thirty-five cents per 100 lbs. and the United States market is always higher than the Canadian, even in times of plenty like the present year, and if they went through Canada in bond they would be bound to be marked "U.S.A. potatoes."

You are probably well aware of the care taken in grading and marketing Canadian potatoes. They are run over wire screens for sizes, then bagged, and each bag must have a tag attached by a government inspector marked "Canadian A", and "Canadian B" or "Canadian C". I may add that the potatoes are examined by two government inspectors —by the original grader and the potato health inspector at the point of shipment.

The information I get is that it is practically an impossibility for the Colorado beetle to appear in any Canadian tuber because, as you know, the slugs feed on the leaf and they bury themselves in the earth, not in the tuber, and the tuber being run over wire screens for sizes and then run again over hand racks at the point of shipment precludes any possibility of them containing anything that might develop into a Colorado beetle.

These representations were, however, unsuccessful and the embargo was placed on Canadian potatoes. The government was, however, successful in inducing the British government to except from the conditions of the embargo any Canadian potatoes afloat at the time the embargo was put into effect.

A further attempt was made to have the restrictions removed, the following cable having been sent to the British ministry: "The Entomological branch of the Department of Agriculture has just completed a close biological study of the Colorado beetle and from their study of the habits of the insect, there would appear to be no danger whatever of the beetle being transported in shipments of potatoes exported from Canada.

The Colorado potato beetle in eastern Canada disappears from the plants by the end of September and enters the ground for hibernation. In fact, the large majority of the beetles are in the ground a month earlier. Potatoes exported from Canada to England are dug in October, at which time, as stated, the beetles are inactive, being in hibernation in the ground. After digging, the potatoes are machine graded before shipment and the danger that any beetles could remain in association with the potatoes through all this process is infinitesimal.

Our officers who have made special observations of this insect have never reported the finding of the beetles in bags, barrels, or other containers in which potatoes are shipped.

During the summer months when the beetles are active, there is a possibility of their being transported with any cargo, but it seems almost inconceivable that the beetles could be introduced with shipments of potatoes which are invariably dug after the beetles have entered the ground for hibernation.

We have no records, nor know of no cases in other countries the insect having been distributed through shipments of potatoes.

As the department has an established potato inspection service, Canada would suggest that the Imperial government accept shipments of potatoes from this country subject to their being accompanied by certificates as to freedom from Colorado potato beetle due to having undergone such grading and inspection as would permit of such guarantee.

No reply to this has yet been received.

4. A similar embargo, and for similar reasons, is placed against the importation into Great Britain of potatoes from the United States.

5. Answered by No. 4.

DEPARTMENT OF AGRICULTURE—OFFICIALS

Mr. LUCAS:

1. How many veterinarians were employed by the Health of Animals branch in Dominion of Canada during 1923?

2. How many were employed during 1924?

3. How many veterinarians were employed by the Health of Animals branch in each province during 1923?

4. How many were employed in each province in Canada during 1924?

5. What was the total amount of salaries paid veterinary employees of the Health of Animals branch in Canada during 1924?

6. What was the total travelling expenses of all employees of Health of Animals branch for 1924?

7. What mileage expenses were paid for motor cars for each veterinary employee of the Health of Animals branch in the province of Alberta, and what was the name and location of each employee?

8. What is the total number of permanent officials engaged by the various branches of the federal Department of Agriculture who are located in the province of Alberta, and what are the names and locations of each?

9. What is the description of the work which these officials are required to perform?

10. What are the names and locations of permanent employees of the federal Department of Agriculture

located outside the province of Alberta who were temporarily employed within that province during 1923 and 1924?

Hon. Mr. MOTHERWELL:

1. 305.

2. 299.

3. Prince Edward Island, 5; Nova Scotia, 5; New Brunswick, 4; Quebec, 56; Ontario, 105; Manitoba, 50; Saskatchewan, 21; Alberta, 41; British Columbia, 18.

4. Prince Edward Island, 5; Nova Scotia, 4; New Brunswick, 4; Quebec, 57; Ontario, 104; Manitoba, 49; Saskatchewan, 21; Alberta, 36; British Columbia, 19.

5. $653,515.01.

6. $258,087.89.

7.

Blackwood, A. C., Calgary	$ 1,132 81
Buie, J., Edmonton	776 42
Caldwell, J. H., Calgary	1,308 00
Cameron, A. E., Lethbridge	229 04
Christie, N. D., Calgary	716 65
Christie, V. V., Twin Lakes	862 30
Duthie, R. C., Edmonton	1,087 89
Elliott, H. J., Aden	150 63
George, H. H. S., Edmonton	987 16
Guertin, J. O., Coutts	18 60
Hargrave, J. C., Medicine Hat	88 27
McCaskill, A. E., Calgary	1,233 57
McDougall, W. F., Calgary	2,828 20
MacMillan, D., High River	1,067 61
Monroe, A. R., Calgary	1,119 55
Nichol, G. A., Edmonton	367 35
Olsen, N. P., Edmonton	447 04
Phillips, J. C., Edmonton	1,237 86
Pinhorn, G. C., Medicine Hat	720 26
Storey, H. C., Calgary	881 85
Way, A. J., Edmonton	92 40
Total	$17,353 46

8 and 9. Total permanent employees of the Department of Agriculture in the province of Alberta in 1924, 116. Names, locations and duties,—Health of Animals Branch—Dr. J. C. Hargrave, Medicine Hat, district veterinary inspector in charge of enforcement of regulations under the Animal Contagious Diseases Act, etc.; J. C. Porter, Medicine Hat, senior clerk; Miss M. Sinclair, Medicine Hat, clerk stenographer.

Dr. A. E. Cameron, Lethbridge, pathologist in connection with animal contagious diseases research and diagnosis.

W. E. Lewis, Lethbridge, and Jack Wai, Lethbridge, animal caretakers and assisting at laboratory.

Field Veterinarians.—Testing cattle under accredited herd plan and municipal tuberculosis order; supervising the suppression of animal contagious diseases in their respective districts; inspection of cattle in stockyards, etc.: Blackwood, A. C., Calgary; Caldwell, J. H., Calgary; McCaskill, A. W., Calgary; McDougall, W. F., Calgary; Monroe, A. R., Calgary; Storey, H. C., Calgary; Whyte, J. D., Calgary; Buie, John, Edmonton; Duthie, R. C., Edmonton; George, H. H. S., Edmonton; Nichol, G. A., Edmonton; Olson, N. P., Edmonton; Phillips, J. C., Edmonton; McMillan, D., High River.

Busselle, A. W., Calgary, stockyards, retired October 31, 1924; Christie, N. D., Calgary, transferred to Winnipeg, July 1, 1924; Pinhorn, G. C., Medicine Hat, retired October 31, 1924.

Boundary Veterinarians.—Posted at animal quarantine stations to inspect animals imported; suppression of animal contagious diseases in district and tuberculosis testing: Christie, V. V., Twin Lakes; Elliott, H. J., Aden; Guertin, J. O., Coutts.

Car and Yard Inspectors.—Inspecting and supervising the disinfection of stock cars—available for inspection of garbage feeding when required: Marshall, J. J. (Senior) Calgary; Allen, W. P., Calgary; Bossard, P. S., Calgary; Fountain, W. H., Calgary; Lewis, F., Calgary; Smith, C. E., Calgary; Carroll, W. J., Edmonton; Johnston, W. N., Strathcona.

Harris, G. M., Lethbridge, retired October 31, 1924.

Permanent officials in meat packing establishments in Alberta—employed in connection with the inspection of meats and meat food products under the Meat and Canned Foods Act:

Swift Canadian Co., Ltd., Edmonton, Alta.—
W. B. R. Knowles, V. S.; J. H. Burnett, V.S.; A. J. Way, V.S.; A. Desrosiers, M. V.; J. W. Nagle, V.S.; H. Christman; F. E. Moore; S. C. Cotterell; F. A. Cox.

P. Burns & Co. Ltd., Edmonton, Alta.—
I. Christian, V.S.; R. B. Dellert, V.S.; S. R. Walkinshaw, H. W. Cox.

Gainers Limited, South Edmonton, Alta.—
A. R. Walsh, V.S.; H. W. Cowan, V.S.

P. Burns & Co. Ltd., Calgary, Alta.—
L. Senecal, V.S.; A. A. Lockart, V.S.; F. F. Saint, V.S.; A. W. Hopkins, V.S.; R. H. Cook, V.S.; J. Macdonald; S. E. Curtis; J. E. Wilson; A. R. MacGregor.

Union Packing Co. Ltd., Calgary, Alta.—
G. G. Pook, V.S.

Experimental Farms Branch—
William D. Albright, Beaverlodge, superintendent in charge of experimental sub-station; Robt. Watson, Beaverlodge, stenographer-bookkeeper; Robt. Jones, Fort Vermilion, superintendent in charge of experimental sub-station; Alfred P. Hobbs, Fort Vermilion,

stenographer-bookkeeper; A. G. Smith, Wainwright, assistant in connection with cattalo experiments at Buffalo park; James Wilson, Wainwright, herdsman, in connection with cattalo experiments at Buffalo park; F. H. Reed, Lacombe, superintendent in charge of experimental station; L. T. Chapman, G. E. DeLong, Lacombe, assistants to superintendent; G. M. Long, Mrs. A. Aldwinckle, Lacombe, clerk-stenographers; E. Edmunds, Lacombe, farm foreman, supervision of field work, etc.; F. W. Jones, Lacombe, Herdsman, taking care of live stock; N. E. Brooks, Lacombe, head herdsman, in charge of live stock; W. J. Groom, Lacombe, poultryman; W. H. Fairfield, Lethbridge, superintendent, in charge of experimental station; J. Milroy, Lethbridge, farm foreman; R. J. C. Paris, Lethbridge, head gardener, supervision of horticultural work; J. M. Dykes, Lethbridge, poultryman; A. E. Palmer, W. D. Hay, Lethbridge, assistants to superintendent; R. E. Everest, Lethbridge, supervisor of illustration stations; A. Jones, Lethbridge, clerk-stenographer.

Live Stock Branch—

Miss J. B. Gordon, Edmonton, clerk-stenographer; Miss T. A. Savage, Edmonton, clerk-stenographer; Miss F. A. Martin, Calgary, clerk-stenographer; A. S. Morrison, Edmonton, acting district live stock promoter representative of live stock branch re distribution of pure bred sires, promotion and improvement of live stock, etc., cattle; R. E. Wilson, Calgary, district live stock promoter, supervision of horse breeders' clubs, and supervision and promotion of breeding, marketing, etc., of horses, representative of horse division.

S. G. Freeborn, Calgary, district sheep promoter. In charge field work among farmers and breeders for the encouragement of sheep, and goat husbandry, etc.; N. Curtis, Edmonton, and D. A. MacKenzie, Calgary, stock yard agents. In charge of enforcement of the Live Stock and Live Stock Products Act and regulations thereunder. Supervision of sales of stock, etc.; W. H. Tallis, Calgary, junior stock yard agent. Assists with the work at the stockyards; T. Williamson, Edmonton, W. F. Wilson, Edmonton, O. A. Aynsley, Calgary, swine graders. In charge of the grading of swine at stockyards, public marketing for packing establishments, etc.; G. M. Cormie, Edmonton, district poultry promoter. Responsible for the promotion of the production and co-operative marketing of poultry and poultry products; R. Alloway, Edmonton, J. A. McMillian, Edmonton, J. D. McMillan, Edmonton, distributors of live stock. Assist in carrying out the distribution policy in regard to pure bred sires. Report upon applications from Associations for the loan of sires; R. H. Ennismore, Edmonton, egg inspector. Inspection of interprovincial or export shipments of eggs. Give instructions and demonstrations in grading and candling of eggs, etc.; T. T. Clyde, Edmonton, poultry promoter. To do field work among farmers and producers for the purpose of increasing the quality and production of poultry and poultry products, etc.; J. R. Higgins, Calgary, Geo. Syrotuck, Edmonton, promoters of egg production. To stimulate egg production, promote co-operative marketing, organize egg circles, etc.; A. G. Moore, Edmonton, dairy promoter. To encourage the development of the dairy industry, to organize and supervise cow-testing activities, etc.

Fruit Branch—

M. P. McNeil, Calgary, fruit and vegetable inspector. Enforcing provisions of the Fruit Act and Root Vegetables Act. Prepare market reports, etc.

Entomological Branch—

H. L. Seamans, Lethbridge, Dominion entomological laboratory. Investigations re the biology and control of insects affecting field crops.

Seed Branch—

G. M. Stewart, Calgary, district seed and feed inspectors. Responsible for administration of Seeds Act, Feeding Stuffs Act, and the Fertilizers Act, inspection of seed, feed, and fertilizers offered for sale; C. T. Tapp, Calgary, seed and feed inspector. Assists in the above mentioned duties; E. M. Hanna, Calgary, senior clerk. Clerical work; M. L. Henderson, Calgary, clerk stenographer; H. M. F. Hutton, Calgary, clerk stenographer; C. W. Leggatt, Calgary, supervising analyst. In charge of laboratory for the analysis of seed, feed, and fertilizer; A. Hope, Calgary, M. N. Patterson, Calgary, G. N. Ramage, Calgary, F. K. Robertson, Calgary, D. E. Reader, Calgary, seed analysts. Test and analyze seeds, feeds and fertilizers.

Health of Animals Branch—

R. Julien, V. S., Montreal, Que., sent from Winnipeg to Edmonton, relieving at meat packing establishments during January and February, 1923; G. S. Hanmore, V.S., Toronto, sent from Winnipeg to Edmonton, relieving January and February, 1923; R. Waddy, V.S., Winnipeg, Man., at Wainwright re the inspection of slaughter of buffalo, 1924; L. M. Heath, V.S., veterinary research station, Hull, Que., relieving pathologist at research station, Lethbridge, during 1924.

Live Stock Branch—

W. O. Watkins, district sheep promoter, Winnipeg (since resigned), was employed during the fall of 1923 grading rams in the province of Alberta; J. M. McCallum, chief, stock yards service, Ottawa, was employed for a period during October 1924, grading rams; E. J. Johns, junior stock yard agent, St. Boniface stock yards, St. Boniface, Manitoba, substituted for N. Curtis, stock yard agent grade 2, at Edmonton during the latter's statutory leave September 27-October 17, 1924.

The undermentioned dairy recorders and testers, E. C. Crohn, Victoria, B. C. (resigned); J. H. Marshall, Hamilton, Ont.; S. Ross, Ottawa; A. M. Clark, Montreal, Que. (resigned); E. Young, New Westminster, B.C.; R. Snazelle, Seagrave, Ont.

These men were employed at various intervals in Alberta during the years 1923-24.

These men were employed as travelling inspectors visiting farms to test cows entered in the Canadian record of performance test for pure bred dairy cattle. They move from farm to farm making the round of the Prairie provinces and British Columbia. Some of them did not return home for two years.

H. T. Wilson, poultry inspector in Ontario, worked at various periods in the province of Alberta during the years 1923-24.

EGG GRADING AND INSPECTION

Mr. SUTHERLAND:

1. How many egg inspectors or graders are now employed by the Department of Agriculture?
2. What is the total of the annual salaries to be paid for the present year in this connection?
3. What are the percentages of the eggs graded in 1924 under the various grades provided in the act, viz. Class I—fresh; grade (a)—specials. grade (b)—extras; sub-grade I—pullets—extras; Grade (c)—firsts; grade (d)—seconds?

Hon. Mr. MOTHERWELL:

1. (March 4th, 1925) Twenty-six egg inspectors including one chief egg inspector.
2. (Fiscal year 1924-25) $42,112.57.
3.

	Percentage
Class (1) Fresh	
Grade (a) specials..	..
Grade (b) extras..	14.6
Sub-grade (1) pullet extras.. ..	.08
Grade (c) firsts	27.9
Grade (d) seconds..	25.3
Class (2) storage	
Class (2a) preserved	
Grade (a) extras..	3.4
Grade (b) firsts..	19.7
Grade (c) seconds..	9.0
Class (c) cracked and dirty.. ..	.02

[Mr. Motherwell.]

RUSSIAN FLOUR ORDER

*Mr. GARLAND (Bow River):

1. Has the government any information regarding the large order placed by the Russian government with Canadian mills for more than $12,000,000 worth of flour?
2. If so, what arrangements, if any, have been made with the government regarding financing this purchase?

Hon. Mr. COPP:

1. No.
2. Answered by No. 1.

FEDERAL AND PROVINCIAL TAXATION

Mr. CHURCH:

1. Has anything been done by the government to meet the Ontario government and co-ordinate federal and provincial taxation to prevent duplication and overlapping, on income, amusement and other forms of taxation, since last session?
2. If so, what action has been taken?

Hon. Mr. ROBB:

1 and 2. A taxation conference was held at Ottawa in November, 1924, at which representatives of the Ontario government were present. On the 11th of November representatives of the various provinces met the Acting Minister of Finance. On the following day the representatives of the provinces met by themselves and passed a resolution, which was later presented to the Acting Minister of Finance: "That a conference be called at the joint request of the premiers of Ontario and Quebec to deal with the problems which arise from time to time in the administration of provincial affairs and for the purpose of such conference, but not in any way limiting the scope thereof, that the following be the agenda:—(1) Overlapping in departments where joint federal and provincial jurisdiction is being exercised. (2) Consideration of income tax as to collection and allocation. (3) Exemption of all purchases by and on behalf of provincial governments from operation of sales tax. (4) Adjustment of federal subsidies to provinces with a view to having provincial subsidies bear a reasonable ratio to provincial expenditures. (5) Provincial taxation of all nationally operated railroads. (6) Inter-provincial relations in respect to succession duties. (7) Consideration of measures for reduction of taxation and further economies in administration."

MALAGASH DREDGING

Mr. BLACK (Halifax):

1. What are the names of those who tendered for dredging at Malagash in 1924?
2. What were the prices of the different firms or individuals tendering?
3. To whom was the contract awarded?
4. By whom was the work done?
5. Was the work done according to tender?
6. What was the price paid per yard for rock?

7. What was the price paid per yard for earth?
8. What was the total quantity of rock removed?
9. What was the total quantity of earth removed?
10. How much money was earned by contractor?
11. How much money was paid contractor?
12. How much more rock is required to be removed under contract?
13. How much more earth is required to be removed under contract?
14. Who was the inspector of dredging operations?
15. How many days was inspector employed in connection with work?
16. How much was paid inspector per day?
17. What was the total amount earned by inspector in 1924?

Hon. Mr. KING (Kootenay):

1. None.
2. Answered by No. 1.
3. No contract awarded. The Fraser Paving and Construction Company, Limited, of New Glasgow, N.S. offered to do this dredging if they were given a chance to test out the working possibilities of their outfit before entering into a contract to carry out the work. This offer was accepted and during 1924 this firm made certain tests with a view of doing the work as a hydraulic proposition but they have not yet expressed their willingness to enter into contract to undertake the work.
4. Work to the value of about $500 is claimed by The Fraser Paving & Construction Co. Matter being investigated.
5. Answered by No. 4.
6. No payments made.
7. No payments made.
8. Nil.
9. About 500 cubic yards place measurement.
10. About $500.
11. Nil.
12. It is not anticipated that any rock will be encountered.
13. Approximately 23,290 cubic yards, place measurement.
14. James H. Treen, (during the period the Fraser Paving and Construction Co., Ltd., were making their tests.)
15. Fifty-four days.
16. $4.
17. $216.

PIERREVILLE WHARF

Mr. DOUCET:

1. What did the repairs to the government wharf, at Pierreville, county of Yamaska, cost?
2. How many thousand feet of lumber were used in said repairs?
3. What was the price of said lumber?
4. Who supplied the same?
5. Is the government aware that Mr. Rodolphe Tourville, M.L.A., and Mr. Edouard Ouellet, legislative councillor, are members of the Tourville Lumber Company of Louiseville, county of Maskinongé?
6. Who was the contractor of above wharf and what was his remuneration?
7. If the work was performed by day labour, who was the superintendent, and what was his salary?
8. Who bought the old lumber?
9. What disposition was made of the new unused lumber?
10. Was said unused lumber carted away by day or by night?
11. Was the old lumber sold and at what price?
12. What was the total cost of the construction of the government's shed?
13. How many feet of lumber were used in the construction of said shed?
14. What were the names of the contractor and inspector?

Hon. Mr. KING (Kootenay):

For calendar years 1923 and 1924:—

1. 1923—$105.09.
   1924—$3,254.19.
2. 1923—937 feet.
   1924—26,714 feet.
3. 1923—$39.98.
   1924—$1,189.81.
4. 1923—Messrs. D. & A. Laperriere, of Pierreville, P.Q.
   1924—Messrs. D. & A. Laperriere, of Pierville, P.Q. and The Tourville Lumber Mills Company, Louiseville, P.Q.
5. No information.
6. 1923—Work performed by day labour.
   1924—Work performed by day labour.
7. 1923—George Allard, $4.00 per day.
   1924—George Allard, $4.00 per day.
8. 1923 and
   1924—No old lumber sold.
9. 1923 and
   1924—No new lumber remained unused.
10. See answer for question 9.
11. None sold.
12. $882.57.
13. 9,061 feet.
14. 1923-1924—No contractor or inspector as work done under a foreman.

FISH EXPORT

Mr. MacLEAN (Prince):

1. Has the Marine and Fisheries department entered into any arrangement with Mr. Hugh Green relative to the shipment of fish from the Maritime provinces to Great Britain?
2. Is any assistance being given by the government?
3. If so, what is the nature of same and at what points in the Maritime provinces will the operations be carried on?

Hon. Mr. CARDIN:

1. No.
2 and 3. Answered by No. 1.

MRS. JEAN MULDREW

Mr. DOUCET:

1. Is Mrs. Jean Muldrew an employee of the Soldier Settlement Board?
2. If so, what is her annual salary?
3. What amounts of travelling and other expenses has she incurred each year since her appointment, which have been paid out of public funds?

4. Is she entitled to the preference given by section 39 of the Civil Service Act to those who have military service overseas in the late war, or to the widows of such?

Hon. Mr. ROBB:

1. Yes.
2. $3,000.
3.

1919-20	$1,123 65
1920-21	1,636 51
1921-22	1,404 26
1922-23	862 08
1923-24 to Sept. 30, 1923	856 27
*Oct. 1, 1923 to March 31, 1924.	1,139 23
*1924-25	280 28

4. No, (she was appointed prior to the passing of this section), but she is a widow whose only son was killed in action in 1915.

*Attached for special duty to Department of Immigration and Colonization.

MILITARY DISTRICT NO. 10—COAL INQUIRY

Mr. WOODSWORTH:

1. How many officers have been dismissed for participation in the frauds disclosed by the Campbell commission in connection with the sale of coal?
2. How many non-commissioned officers?
3. How many privates?
4. How many workmen?

Hon. Mr. MACDONALD (Pictou): None. The government has taken steps to court martial Lt.-Col. G. F. C. Pousette, District Supply and Transport Officer, who was primarily responsible for the receipt of coal at the military establishment at Winnipeg. The question of dismissing and disciplining officers, privates and workmen is under consideration.

CONSUMERS GLASS COMPANY

Mr. DESLAURIERS:

1. Is the government aware that the Consumers Glass Company of Verdun, through its superintendent, Mr. Goddard, brought workmen between the 20th and 25th February, 1925, from Zanesville, Ohio, where the trade union is not recognized, and that these strike breakers have replaced citizens of Canada in said Consumers Glass factory?
2. Is the government in a position to inform the House if the men named Crest and Millar at present registered at Dombrieo hotel, as well as their companions, have not violated the Immigration Act by entering Canada?
3. If they have unlawfully entered Canada, is it the intention of the government to deport them?
4. Is it true that said Consumers Glass Company unlawfully employ young girls between 9 p.m. and 7 a.m. and even on Sunday?

Hon. Mr. MURDOCK:

1. No information.
2. The Department of Immigration and Colonization has no record of Crest and Millar and unless furnished with the names of their companions can make no reply with respect to the latter.
3. If it is shown that these men effected illegal entry to Canada, the Department of Immigration and Colonization will institute deportation proceedings.
4. No information.

HUDSON'S BAY COMPANY—LAND

Mr. GOOD:

1. During the last ten years has the Hudson's Bay Company been granted any land?
2. If so, (a) How much; (b) Where situated; (c) For what consideration; (d) For what reasons?

Hon. Mr. STEWART (Argenteuil):

1. Yes.
2. (a) 98,059.94 acres.

(b) Prairie provinces and Northwest Territories.

(c) Deed of surrender, Dominion Lands Act, exchange account and by purchase under clause 32 of Dominion Lands Act.

(d) 693.74 acres—Trading post under deed of surrender.

42,836.27 acres—Notifications and allotments of 1/20th.

54,156.50 acres—Exchange account.

373.43 acres—Sales for trading post under section 32 of the Dominion Lands Act.—$1,746.26.

QUESTIONS PASSED AS ORDERS FOR RETURNS

VANCOUVER WATERFRONT PROPERTY

Mr. BLACK (Yukon):

1. How much did the Vancouver Board of Harbour Commissioners pay for the waterfront property lying immediately east of and adjoining No. 1 harbour board elevator, portion of which is now occupied by elevator known as Spillers elevator?
2. What was the total area of the said property: (a) Above high water mark; (b) Below high water mark?
3. Was the said property offered to the harbour board for $275,000?
4. Did the said price of $275,000 include a sawmill and buildings then on the property?
5. Did the harbour board secure an option at this price and if so, for how long?
6. Subsequent to the purchase of the said property, did the harbour commissioners permit the former owners to remove the mill and other buildings, or to whom was the said mill sold, or given, or released?
7. Was a portion of the said property leased to R. H. Gale of Vancouver, acting for himself or a company, and if the latter, what was the name of the company to whom the lease was issued?
8. Did the said R. H. Gale negotiate the said lease?
9. Has there been any transfer of the said lease since the original issue? If so, to whom?
10. What is the amount of rental being paid to the harbour commissioners for the said lease?
11. Did the harbour commissioners undertake to build a jetty for grain conveyors as a condition or term in the said lease? If so, what has the said jetty and conveyors and equipment cost?

12. Has the said original lease, or a later transferred lease been assigned to the "Spillers" Grain Company of England?

MILITIA HEADQUARTERS—STAFF

Mr. DOUCET:

1. What is the name, the rank, the position, and the pension of each officer on the staff at headquarters, Ottawa, and the military districts, who has been retired from the service, from the 1st of January, 1924, to the 1st of March, 1925?

2. What is the name, the rank, the position, and the salary, including pay and all allowances, of each officer of the staff at headquarters, Ottawa, and the military districts, who has received; (a) an extension of term; (b) a reappointment, from the 1st of January, 1924, to the 1st of March, 1925?

3. Who recommends to the Minister and the Deputy Minister of the Department of National Defence: (a) the retirement of an officer; (b) the extension of term to an officer; (c) a reappointment of an officer; (d) the promotion of an officer?

4. What is the name of each officer of the staff at the general headquarters and local headquarters, Ottawa, and in the military districts, who has held the same rank more than four years, and what is the tenure of appointment of all positions on the staff?

5. What is the intention of the Minister of the Department of National Defence regarding those officers who have not been promoted in the army for many years?

OFFICERS COMMANDING MILITARY DISTRICTS

Mr. DOUCET:

1. What is the tenure of appointment of an officer commanding a military district?

2. What are the names of the officers commanding the military districts of Halifax, Nova Scotia; St. John, New Brunswick; Toronto, Ontario; Montreal, Quebec; Quebec, Quebec; from the 1st August, 1912, to the 1st of March, 1925?

3. During the above years, what was (a) the date of 1st appointment as officer commanding a military district of each of the above officers; (b) the date of each reappointment; (c) the date of each extension of term; (d) the total number of years of service as officer commanding a military district?

4. Is it the intention of the Minister and the Department of National Defence to maintain in his position an officer commanding a military district for a term of more than four or five years, by this fact stopping promotion to a lot of officers of the permanent force well qualified and available for such a position?

UNOPPOSED MOTIONS FOR PAPERS

TRENTON WHARF

Mr. STEVENS:

For a copy of all correspondence passing between January 1, 1922, and June 27, 1924, between the Minister or officer of the Department of Public Works and the member for the time being of the riding of West Hastings, referring in any way to the Trenton wharf.

KENO CITY TOWNSITE

Mr. BLACK (Yukon):

For a copy of all correspondence between the Gold Commissioner of Yukon, the Surveyor General, the Director General of Surveys, any official of the government and any person concerning the survey and plan of the townsite of Keno City, iin Yukon territory.

RAILWAY MAIL SERVICE

ALLEGED DISCRIMINATION AGAINST CANADIAN NATIONAL RAILWAYS

Mr. W. J. WARD (Dauphin) moved:

That, in the opinion of this House, there should be no discrimination against the Canadian National Railways in the carrying of mails.

He said: Mr. Speaker, it will be recalled that during the progress of last session I placed the following question on the order paper:

What percentage of the mail of Canada is being carried by the Canadian Pacific railway between eastern Canada and the Pacific coast?

The answer to the question was:

Expenditure on account of the railway mail service for the whole of Canada for fiscal year, 1922-23:

Canadian Pacific railways..	$3,683,232 80
Canadian National railways.. ..	3,178,411 02
Other railways...	615,839 07

It will also be recalled that following the reply to this question, a regular avalanche of telegrams and petitions and resolutions poured into Ottawa from all parts of Canada demanding the removal of what was at least believed to be discrimination against the National Railways in the carrying of mail. Almost immediately following the appearance of the said question on the order paper, I was invited to visit the office of the deputy minister. On visiting his office, I was informed that everything was being done at that time to remove what appeared to be discrimination, and to make as nearly as possible an equal division of the mail carrying business of the country between the two great railway systems. However, not being satisfied in my own mind that all was being done that might be done, this year I placed on the order paper the resolution that is now before the House. In order that I might be enabled to give a fair statement of the situation as it actually exists, I have secured from the Post Office Department some figures that, while they may not all be strictly relevant to the subject matter, I think will be of interest to the House, and probably more so to the country. I will ask to have this statement placed on Hansard in order that the figures can be grasped intelligently.

Hon. gentlemen will kindly note the track miles of the two great railway systems in the Dominion of Canada are as follows: track miles of the Canadian Pacific Railway Company, 13,579; and of the Canadian National, 19,975 miles. Now I would direct the attention of the House to the track miles used. In the case of the Canadian Pacific, 13,172 miles are used; in other words, just 400 miles less than the mileage actually constructed; but when we come to the

Canadian National Railways, we find that the mileage in use is only 18,280, while the mileage built is 19,975. These are the figures that I remarked at the outset were perhaps not strictly relevant to the subject matter of the resolution, but nevertheless I think they are worthy of notice.

Now in respect to the carrying of mail the figures are as follows: Canadian Pacific railway, train miles, 5,638,040; Canadian National railways, train miles, 6,602,644. I would also direct the attention of the House to one feature of those figures, and that is that while the Canadian Pacific Railway operate only 13,172 miles of railway, their train miles amount to 5,638,040; while the National Railways, operating 18,280 miles, have a train mileage of 6,602,644; in other words, the train miles of the Canadian Pacific are 20 per cent, or thereabouts, in excess of the National Railways. Now anyone who has travelled between eastern and western Canada cannot but have been impressed with the large number of excess trains that are operating in this country. When you get on a train in the city of Winnipeg, for instance, you will find, as I did when I was coming to Ottawa this session, that there were only 37 passengers on the entire train. The Canadian Pacific Railway train had left about an hour previously, and I understand that it carried only 31 passengers. I think this might very well be taken into consideration by the Minister of Railways (Mr. Graham), with a view to seeing if we cannot reduce the number of unnecessary trains that are running, and which are responsible for some at least of the Canadian National Railway deficits.

Now I come to the subject matter of the resolution. The postal service miles of the Canadian Pacific Railway amount to 3,629,508. and of the Canadian National Railways to 4,270,320. Dividing that into two classes, so to speak, we find that the Canadian Pacific operated 1,187,536 miles of the 60-foot full postal cars; that is, a full mail car; while the Canadian National Railways, though they operate 18,280 miles of railways as against 13,172 miles of the Canadian Pacific, is approximiately 75,000 miles more than the Canadian Pacific railway of the 60-foot full postal cars.

Then coming to the thirty foot postal car the Canadian Pacific operated a mail service on 1,575,682 miles, and the Canadian National for the same half car operated a service of 1,411,200 miles. In the case of baggage car mail service the Canadian Pacific mileage was 866,290 and the Canadian National mileage 1,758,366. It will be noted that in that instance the National Railways gave a service to a much greater degree than did the Canadian Pacific. But that means very little because payment is made for what is called overflow service. In other words a train leaves Montreal, Toronto, or some other point, the overflow after the mail car is filled is carried in the baggage car. That space is purchased from station to station as it is required.

Now, in the matter of payment for that service the sum of $772,906.09 was paid to the Canadian Pacific, according to the figures which I have, and $769,916.49 was paid to the Canadian National. You will note, therefore that the payment is almost equal for the service rendered in that particular class. However coming to the overflow mail we see a different situation. The overflow mail is the mail which I have just mentioned, the mail offered in excess of the accommodation on the baggage or postal car. In the statements I have, the figures are given by provinces. I shall not weary the House by enumerating all the details. but will ask permission to place them on Hansard.

The statements are as follows:

CANADA

Statement showing a comparison of track miles, train miles and postal service miles etc., in connection with mail traffic on Canadian National and Canadian Pacific Railways:

Track mile—C.P.R., 13,579; C.N.R., 19,975.

Track miles used—C.P.R., 13,172; C.N.R., 18,280.

Train miles—C.P.R., 5,638,040; C.N.R., 6,602,644.

Postal service miles—C.P.R., 3,629,508; C.N.R., 4,270,320.

Sixty foot postal car, miles—C.P.R., 1,187,536; C.N.R., 1,208,476.

Thirty foot postal car, miles—C.P.R., 1,575,682; C.N.R., 1,411,200.

Baggage car miles—C.P.R., 866,290; C.N.R., 1,758,366.

Payment for service—C.P.R., $772,906.09; C.N.R., $769,916.49.

Statement showing track miles, Train miles, Postal service miles, etc., in the provinces of Manitoba, Saskatchewan, Alberta, and British Columbia.

Track miles—C.P.R., 8,525 miles; C.N.R., 9,396 miles.

Track miles used—C.P.R., 8,334 miles; C.N.R., 8,798 miles.

Train miles—C.P.R., 2,542,290 miles; C.N.R., 1,620,629 miles.

Postal service—C.P.R., 1,893,094 miles; C.N.R., 1,122,018 miles.

Sixty foot postal car—C.P.R., 687,429 miles; C.N.R., 412,986 miles.

Thirty foot postal car—C.P.R., 778,102 miles; C.N.R., 278,447 miles.

Baggage car—C.P.R., 427,568 miles; C.N.R., 430,585 miles.

Payment—C.P.R., $411,645.17; C.N.R., $221,518.16.

OVERFLOW MILEAGE—CANADA

Prince Edward Island, mileage—C.P.R., nil; C.N.R., nil.

Nova Scotia, mileage—C.P.R., nil; C.N.R., 15,906.

New Brunswick, mileage—C.P.R., 7,286; C.N.R., 36,200.

Quebec, mileage—C.P.R., 30,372; C.N.R., 90,186.

Ontario, mileage—C.P.R., 167,700; C.N.R., 68,973

Manitoba, mileage—C.P.R., 58,144; C.N.R., 6,712.
Saskatchewan, mileage—C.P.R., 99,094; C.N.R., 3,591.
Alberta, mileage—C.P.R., 48,392; C.N.R., 11,209.
British Columbia, mileage—C.P.R., 17,352; C.N.R., 10,256.

SUMMARY

Canadian Pacific Railway—428,340 miles.
Canadian National Railway—243,033 miles.

It will be noted that the Canadian Pacific Railway have for this class of service throughout Canada, 428,340 miles; the Canadian National Railway, 243,033 miles. It might appear, Mr. Speaker, from the wording of my resolution that I intended to jump in and tear the Post Office Department to pieces for not having given a fair share of the mail carrying business to the National system. That is not my intention at all. I simply wished to bring to the attention of the House and the department the fact that there was a feeling in the country that the National Railways were not receiving a fair share of the mails offered. However, I think our efforts of last year have not been without effect.

This morning I telephoned to the office of the Superintendent of Railway Mail Contracts, and asked for a comparison of the earnings from this service of the different railways since 1922-23, and I think it will probably be of interest to the House to give the figures. Payments for the fiscal year 1922-23 to the Canadian Pacific Railway, $3,683,414.13; payments to the Canadian National for the same year, $3,158,063.46, a discrimination, if the term is permissible, of $525,350.67 in favour of the Canadian Pacific Railway Company. The fact that there was this discrimination precipitated the feeling throughout the country which came to a head a year ago. For the year 1923-24 the payments were: Canadian Pacific Railway, $3,659,012.99; Canadian National Railways, $3,176,034.60, a discrimination of only $482,978.39, so the situation was getting a little better. For the calendar year 1924 the payments to the Canadian Pacific Railway amounted to $3,534,251.69, and to the Canadian National, $3,172,107.07, or a difference in favour of the former of $362,-144.62. I presume that when we have the figures for the financial year we shall find a further lessening in the discrimination. So that if the Post Office Department continues the good work for another five years this discrimination or differential will be entirely removed. As a member of this House I must say that I appreciate very much the work which the department is doing. Having discussed the matter at some length with the minister as well as with the officers of the department, I believe they are doing just about all that can be done to gradually remove this apparent discrimination without disrupting the service. Still I am not so generous as to allow the department to take the entire credit for this good work. I think our efforts of a year ago as well as the agitation on the part of the public, which interested itself actively in the matter, throughout the length and breadth of Canada, were very largely responsible for the change which has been brought about—I was going to say change of heart, but I suppose I should say change of policy on the part of the department.

Now, I understand there are other members who wish to speak on this question and I think I have said all I wish to say except one other matter: It may be of interest to the House and to the country to know just what price is paid for the various services rendered. For the sixty foot mail car the department pays thirty-five cents per service mile, and for the thirty foot car twenty cents per service mile. I may say here that the question is often asked why so few mail cars are found on the Canadian National railway line, and I have often wondered myself why their absence. But the mystery was solved for me the other day by the minister, whom I am glad to see in his seat. He told me that the National railway had been carrying a large percentage of the mails offered to it in baggage cars, and that the mails can be carried much more cheaply in these cars than in mail cars. I have here the price paid for a full storage or baggage car, and it is thirty-six cents per service mile. The minister also informed me that a storage car will carry almost twice as many mail bags as a mail car. So that I think the National Railways are to be commended for their endeavours to adopt the system of carrying the mails in those cheaper cars, where they can carry very much more mail in the same space, and at a greatly reduced cost.

With reference to this overflow space that was mentioned, I might remark that that is sold in three, seven, fifteen and thirty foot units. The price paid for the three foot unit is four cents per service mile, for the seven foot unit 6.5 cents, for the fifteen foot unit thirteen cents and for the thirty foot unit twenty cents. In closing I desire again to impress upon the minister the absolute necessity for economy in every possible way. If mail can be carried more cheaply in storage cars than in mail cars, I think that is the service that should be put into effect. I also think we should try to reduce the number of unnecessary trains operating over our railways.

Mr. C. WALLACE STEWART (Humboldt): The matter which the hon. member for Dauphin (Mr. Ward) has drawn to the attention of the House through this resolution this afternoon was first brought to the attention of most of the members of this House, I think, through a statement, made before the committee that dealt with national railways and shipping last year, by an official of the Canadian National Railways who appeared before that committee, and although he did not use the term "discrimination" which the hon. member uses in his resolution, he left on our minds the impression that there was a discrimination by the Post Office Department in the allotment of mails to the Canadian National Railways, in comparison with the allotment of mail which the Canadian Pacific Railway carried over their lines. That committee to which I have referred, of which I had the honour of being a member, made a certain investigation of this matter last year. I must admit that the investigation was very casual. We did not go into the subject at any great length, but taking the statement that had been submitted to us by the official of the National Railways as being generally correct, we did make a recommendation to this House, and I should like to read to the House the recommendation made in the report of the committee on National Railways and Shipping last year, which is as follows:

> In regard to the transport of His Majesty's mails, the evidence submitted indicates that there is at present an unequal distribution of mail services between the railways—in some instances resulting in inferior service to the public. Your committee feels that adequate mail service is of paramount importance in the public interest, and suggests that the government take steps to review the whole question of the transport of mails throughout Canada in order that distribution may be effected to give a maximum of service to the public and justice to the Canadian National Railways.

Hon. members will note that in that paragraph of the report there is no statement that we had found there was a discrimination, but without affecting the service to the public which our Post Office Department renders, and which it has been formed and built up to render, it appeared to us that it would be possible to change the routing of some of the mails in such a way that it would perhaps render greater justice to the Canadian National Railways. The official who appeared before our committee summarized the claims, if I may use that term, that the Canadian National Railways had upon the Post Office Department for a further allotment of mails to be carried. He put it under four heads. The first claim was that they should have carriage of mail on their trains, Nos. 1 and 2, from Montreal to Vancouver, which was carried by the Canadian Pacific Railway. The second claim was that they should similarly carry on their trains Nos. 3 and 4 between Toronto and Winnipeg the through mails which are now allotted to the Canadian Pacific Railway. The third claim was that all overseas mail, ex steamers at Quebec should be handed to the Canadian National Railways for transport to Montreal, and his final claim was that all overflow mail originating in Montreal and destined for Toronto should be carried by the Canadian National Railways. He gave us to understand that the existing condition was that they carried that overflow three days a week, and the Canadian Pacific Railway carried it three days a week.

As I have already stated this matter was not very thoroughly investigated last year by the committee. The House will remember that that committee met in the closing days of the session, and there was no time, even if the committee had seen fit to go into the question at length, and perhaps to the depth, that the question merited. I have, however, in the interval been making further inquiries. It seemed to me that this was one of the matters in which perhaps we could take a definite stand in regard to placing our Canadian National Railways on a little better footing. I want to make it very clear to the House that in making the investigation, and in making the statement that I make this afternoon, I put it on this ground, that we, as representing the taxpayers of this country, who have to meet the deficits of our Canadian National Railways, are not doing our duty if we should overlook any point where we can turn business to the Canadian National railways. I know that someone might raise the objection at this point that by asking the Post Office Department to divert its mails to the Canadian National Railways it may not only put the public of Canada at a disadvantage in regard to service, but it would only be taking money out of one pocket and putting it into another. I am not sure that that last argument could be sustained. We certainly do not want to put the public of Canada to any disadvantage in so far as service is concerned. I would lay down as a basic principle that in the matter of the routing of mail the Post Office Department must always have a perfectly free hand to send the mails over the route that will take them to their destination in the shortest time and in the most economical manner that is possible. But on the other hand, where it is possible for

the department to route mail over the Canadian National Railways, so that the public will not be at any disadvantage in regard to service—that is in the delivery of the mail to them—and where it will not cost the Post Office Department any more to route the mail over the Canadian National than over the Canadian Pacific Railway, I think we might well advise the Post Office Department that such steps should be taken, and that they should so route the mail over the Canadian National that they would obtain perhaps an advantage in that respect. Finding themselves, as they do at the present time, at a disadvantage—

Mr. CHURCH: Is it not the function of the railway commission, of its own volition, to regulate any undue and unjust discrimination with regard to transportation companies that use the mails? I understand the railway commission of its own volition can make rules and regulations to prevent any undue or unjust discrimination.

Mr. STEWART (Humboldt): In reply to my hon. friend, I have never heard of the railway commission taking any action in this regard and I also point out to him that I think the word used in the resolution of the hon. member for Dauphin, (Mr. Ward) was unwisely chosen. I think that the word "discrimination" does not perhaps best suit the situation which we are now facing. I would not for one moment have it supposed that I think the Post Office Department are showing discrimination in the allotment of these mails. I was stating that where the Post Office Department could change the routing of their mails they should do so, and I think they should be so advised by this House. Hon. members might wonder why this House should need to offer to the Post Office Department any advice in that regard. Perhaps the Postmaster General (Mr. Murphy), who is in his seat just now, will think it is presumption on the part of any member on this side of the House to offer his department any advice in that regard; but I want to make it perfectly plain why I think the House might offer them advice without being presumptuous. There is no member in this House who has a greater respect for the efficiency of the Post Office Department than I have. I have had the experience of living out in the frontier of our Dominion for a considerable portion of my life, where perhaps we see the efficiency of the Post Office Department, and realize the efficiency with which it serves us better than those who live in the larger urban centres of the Dominion, where they have delivery many times a day, just as a natural routine of business. The Post Office Department is efficient without doubt. It has, I believe, built up its record for efficiency by very definite business principles and business lines of conduct. It is because in my contact with the officers of that department I have been impressed with their adherence to very strict business principles, and business conduct, in the administration of their affairs, that I offer this suggestion. The matter which has been referred to in the resolution as discrimination is, I think, the simple growth of the affairs in our national history, rather than discrimination.

The Canadian Pacific Railway was the first railway to cover our country from one end to the other. Without a doubt it gave the best service to the majority of the people of Canada for many years, and naturally, if the officials of the Post Office Department were going to use the most efficient and economical means of reaching the great majority of our people, they would be forced to use the Canadian Pacific. Therefore, naturally, they used those lines and their branches for the carriage of mails, and the Canadian Pacific became a part of the postal system. A matter that must not be overlooked in this regard is the training of sorting clerks in the post office. They have to make the sorting of mails a specialized business. After the routing of mails on one system has been carefully built up, to change it to another cannot be done at a moment's notice and it is not done without thought being taken as to the result. It completely throws out the usefulness of clerks who are trained to know the post offices along certain lines, and who have to learn all over again the post offices on another line. To do this on a big scale means serious disruption of the postal service of the Dominion.

In the past few years, at least the majority of hon. members will admit that our Canadian National railway system in its unified form is reaching and giving service to many centres of this Dominion, as well as to the farming sections, that the units of which it is built up did not do prior to their union into a national system. The Canadian National Railways are now in a position to compete successfully in many respects with the Canadian Pacific and they can compete with the Canadian Pacific in giving service in the carriage of mails. The matter still remains, though, of changing in some sections from one to the other, and we should not too severely criticize our Post Office Department for hestitating to take the action that would be necessary to change the carriage of mails

from a route that their clerks in many cities of the Dominion now well know to a route which those clerks do not know at all.

To give definite consideration to the four claims that were made by the official of the Canadian National Railways who placed this matter before the committee last year, I will refer first of all to the carriage of mails between Montreal and Vancouver, a through service. This seemed to many of us to lend itself admirably to a shift from one railway to the other, and it was felt that the Canadian National Railways could very well take that mail and make the earnings which the Canadian Pacific has up to the present time been making, without greatly disrupting the service and the work of the clerks necessary to render that service. On careful investigation, however, I find that there are details that are rather complicated, particularly on that portion of the route between Winnipeg and Vancouver. The mails are not carried in bulk through to Vancouver, but they are loaded into one sixty-foot mail car and as much storage space behind it as is required. As the mail passes on through those important centres, Portage la Prairie, Brandon, Indian Head, Regina, Calgary and so forth on its way to Vancouver, the mail is distributed from this postal service car, and as the space is available in the postal service car, the space in the storage car or cars behind it is relieved, the mail being piled into the postal service car. By agreement with the Canadian Pacific Railway, as the space in the storage car is relieved, it is also cut off for payment, the Canadian Pacific being paid only for the space that is required. If this service is to be divided between the two railways, as is suggested, each carrying one-half, it will immediately appear to hon. members here without any technical training, for I myself admit that I have none in that respect, that it will be claimed that the same advantage cannot be taken of storage space in half a car as could be taken in a full car.

As to claim No. 3, that all overseas mail ex steamers at Quebec should be carried between Quebec and Montreal on the Canadian National, that claim was made simply as being a possible point of balancing up the sheet between the two railways. On investigation, I have come to the conclusion that we will have to find out the country of origin and what the government of that country would say as to the routing of its mail once it landed in this country. Some, perhaps a goodly portion of that mail is through traffic that has to travel right across the continent, and it has to go, according to agreement, by the shortest route possible. If the Canadian National Railways were not ready to give the shortest time and the quickest service in delivery, without any reference to our Post Office Department, the contract might be cut off by the British postal service which has command of that. That is a very small service at any rate. I understand it is a matter of only $15,000 or $30,000 for the whole thing. It is not a serious matter, and considering that the Canadian Pacific have in years past, when necessary, put on a special train to deliver that mail from their steamers at Quebec to Montreal in the shortest possible time, I doubt whether the Canadian National, to their financial advantage, could compete with the Canadian Pacific in that respect.

We have two claims left that seem to lend themselves to some adjustment, the first one being the through carriage of mail between Toronto and Winnipeg, so routed. At the present time, that is carried over the Canadian Pacific. The same objection that could be raised as to the carriage between Montreal and Vancouver, that is that there is a large distribution of that mail en route, does not apply to the carriage of mail between Toronto and Winnipeg. With the possible exception of the head of the lakes, the twin cities of Port Arthur and Fort William, there is no large distribution of mail routed from Toronto to Winnipeg. That which goes into the car at Toronto goes out at Winnipeg. It could just as well be carried by the Canadian National as by the Canadian Pacific, so far as time is concerned, because their times are equal in that respect. The only difference that could be made would be the hours of arrival in Winnipeg in regard to meeting outgoing trains on the many branch lines that run out of the gateway city into various parts of western Canada. I think an adjustment could be made in that regard. I would suggest to the Postmaster General and to the members of the House generally that, as regards the carriage of mail between Toronto and Winnipeg, the question of transferring to the Canadian National Railways a part which the Canadian Pacific now has, could very well be considered. This would, to the extent of at least $150,000, reduce the difference that the hon. member for Dauphin (Mr. Ward) gave us. I have forgotten the figure, but I think it amounted for the last year to something like $350,000. If I remember rightly, that is what the hon. member quoted. And that sum could be cut down almost by half through the alteration in this one service. It seems to me too that the service lends itself to this economy.

I might mention another matter of minor importance, in the same category as the carriage of mails from Quebec; I refer to the carriage of overflow mails from Montreal to Toronto. This is not a serious item viewed from the standpoint of financial returns to the railway. At present I understand the Canadian Pacific Railway, on three days of the week, carries part of the overflow mail, in storage or baggage cars, and possibly this particular service is attractive to the railways. No doubt the Post Office Department would find it profitable to consider the question of allowing the Canadian National Railways to carry these mails in particular, and all of them, every day of the week.

There are a few other suggestions which I might throw out with respect to possible changes that might be made to the advantage of the Canadian National Railways as well as in the interests of the people of Canada as a whole. A saving might in some instances accrue to the Post Office Department also. The hon. member for Dauphin spoke of the need of some consideration being given to such railway train duplication as exists at present and which might be eliminated. The point I am raising now is rather similar. I suppose that every member in this House at some time or other in his life has suffered the inconvenience, on coming to a junction point between one railway and another, of having to wait a more or less lengthy space of time before making connections. If hon. gentlemen will only think of the inconvenience they have suffered under such circumstances as individuals, only once or twice or at most a few times in the course of a lifetime, they will readily sympathize with the country at large in the inconvenience to which the people are put every day of the year and every year in our history through the delay that is caused in the transportation of mails for the same reason. It seems to me that from the postal point of view alone this matter is well worth taking into consideration. Probably my hon. friend from North Toronto (Mr. Church) will check me up on this with the suggestion that it is a matter for the railway commission. No doubt the railway commission might very well employ themselves in providing better connections at points of junctions between two railways in the interests of the travelling public. But I emphasize here the importance of such an improvement for the proper distribution of the mails. If trains could be made to connect at junction points it would then be possible for the Post Office Department to route mails over two lines rather than over one as at present is the case.

Then there is the question of the carriage of overflow mail throughout the Dominion as a whole. The Canadian National Railways, I think, might be given the carriage of these mails in any particular place where a great deal of it originated. There is an overflow service between large centres of the Dominion, in eastern Canada particularly and to some extent in the west, and this overflow mail could perhaps be subdivided for the purpose I have in mind. I do not know how the Post Office Department views this matter at all.

4 p.m.

Strictly speaking, overflow mail is mail that cannot be carried in the postal service car, the storage space available in that car being very limited. The mail clerks must have their distribution boxes placed all around the car and they must be able to move freely from one point to another, so that there is not a great deal of space left for the storage of bulky mail. Anything that cannot go into that car is classed as overflow mail and is carried on a car behind. The hon. member for Dauphin gave the cost per foot per mile of the space so allotted. But there is a certain class of overflow mail which differs from this ordinary material. This other kind appears seasonally, some of it very regularly. We have for example certain magazines and weekly newspapers—one at least in Canada—that constitute a very large amount of overflow mail every week in the year. Then there are other magazines that appear every two weeks or perhaps monthly; and at certain seasons of the year large quantities of catalogues appear in the mails, sometimes filling a whole car by themselves. That kind of overflow mail, when it is sufficient to fill a car, is I believe very profitable to the railways; at any rate, it is decidedly advantageous to them to get the carriage of this mail, inasmuch as it is easily disposed of, being simply destined from one point to another. This mail entails no particular responsibility except the care on the part of the railway people to see that it is kept intact. I would suggest to the Post Office Department that mail of this kind, where the question of distribution en route does not enter into the matter at all, and where there is no particular necessity of relieving storage space by taking it into the mail service car, be turned over to the Canadian National Railways wherever possible. For example, there is every week a car of weekly newspapers originating, let us say, in Montreal for distribution in western Canada. That car could very well be carried to Winnipeg at least by the Canadian National Railways.

There is one other matter I want to mention in this connection, and that is the seriousness to our Post Office Department of sudden changes in time tables by the two main railways in this country. Before I left home it came to my attention that the Canadian Pacific Railway had made certain alterations in their time table on the main line. I did not realize at the time that this would mean a serious handicap to the Post Office Department who were delivering mails to the Canadian Pacific, but on looking into the matter I discovered that this very change meant a delay of nearly a day to me in my journey to Ottawa to attend this session. It has also been brought to my attention that this change means a delay in the carriage of mails every day. Perhaps, again, the railway commission might look into this matter. I therefore throw the thought broadcast, that the Post Office Department should always be considered by our two great railways when any changes in the time tables are contemplated; for we cannot possibly have the best service unless ample notice is given of such intended changes. The Post Office Department comprises so many units, and there are so many intricate rules and regulations governing the service, that the department cannot possibly adapt itself to changed conditions at a moment's notice. And for that matter, I understand that sometimes they do not get even a moment's notice, the time tables being changed without their knowledge and the department not finding this out until afterwards. This is something in regard to which the railways might very well work in co-operation with the Post Office Department. I have been advocating the giving of more business to the National Railways, and it strikes me that the National Railways themselves might in this respect meet the Post Office Department halfway by giving it ample notice of changes in the time tables.

Before I close I want to point out again why I have presumed to offer these various suggestions. Our Post Office Department is I believe independent of all large corporations in the country, and I am sure we do not want it to be so warped as at any time to make the postal service of Canada conform to the wishes of any private concern. On the other hand, it is our duty as shareholders in a great railway to advise our postal officials to bend themselves just a little in the direction of giving to the Canadian National Railways, whenever this is possible, whatever business is available. I think I am only doing my duty in offering that advice.

[Mr. C. W. Stewart.]

Mr. JOHN EVANS (Saskatoon): This question affects us very keenly in western Canada. Last year I brought to the attention of the House certain figures which the Postmaster General (Mr. Murphy) described as incorrect. I shall not reiterate any statements I made on that occasion, but I do believe that a discrimination exists so far as any equitable distribution of mail service as between the two railways is concerned. No through mail is carried by the Canadian National either from Montreal or from Toronto. To me this does not seem right. In western Canada the local situation is even worse; towns of considerable size between Winnipeg and the mountains are subjected to very much delay in the delivery of their mail. We can take such places as Rivers, Melville, Watrous and Saskatoon, where we find that the mails are delayed at least one day in their delivery. The mail arrives in Saskatoon four hours later than it would if carried by the Canadian National, and the result is that business letters cannot be answered the same day and replies from Winnipeg to business men in Saskatoon are delayed another twenty-four hours. The situation as regards the mail to the east is just as bad. I am informed by the Post Office Department that the business mail of Saskatoon leaves that city on a Canadian National train at 23.50 and that at Regina it is transferred to Canadian Pacific train No. 4. Lately the mail has not been arriving in time to enable its transfer to Canadian Pacific No. 4 to be carried out. I cannot see why these mails should be transferred at Regina. All Canadian National Railway lines converge at Winnipeg, and the trains on all three lines of the Canadian National arrive at least one hour before either the Canadian Pacific train or the Canadian National through train leaves Winnipeg for the east. I think that is correct. Anyway, if it is not true as regards the Canadian Pacific it is true as regards the Canadian National, and there is no reason why the mails should be transferred at Regina. In a communication which I have from the Post Office department it is stated:

> This delay can be eliminated by transferring the mail service now performed by the Canadian National between Saskatoon and Regina to a Canadian Pacific train which does make the connection in time.

I do not think that should be done; these mails should all go right through at least to Winnipeg. This matter was taken up, I believe, by a committee representing both sides, but what has happened since I do not know. As regards the local mail particularly, and also the through mail, before discussing the matter any further I would like to hear what

the Postmaster General (Mr. Murphy) has to say.

Mr. THOMAS SALES (Saltcoats): Mr. Speaker, the hon. member for Saskatoon (Mr. Evans) has referred to Melville and Saskatoon; I would like to draw attention to the condition at Melville. The resolution says there should be no discrimination against the Canadian National, but I would like to say there should be no discrimination against the Canadian public. When a man can leave on a train from an important centre like Melville and arrive in Ottawa twenty-three hours earlier than mail which left Melville on the same train, he is not getting service; to my mind it is a discrimination against the public. Mail leaving Saskatoon, Melville and all other stations between that point and Winnipeg, eastbound, reaches Winnipeg at ten o'clock in the morning, after the Canadian Pacific train has left. The mail is therefore, held over, as I understand it, in Winnipeg until the departure of the Canadian Pacific train the following morning, making its arrival here twenty-three hours later than it should be. The westbound situation is a little different. The mail for Melville and stations between Winnipeg and Saskatoon leaves here on the Canadian Pacific and upon arrival at Winnipeg is transferred to the Yorkton and Minnedosa line. The mail for Melville is carried as far as Yorkton and reaches Melville at five o'clock in the afternoon—that is my information from the people there. If it was carried straight through on the Canadian National it would be in Melville before eight o'clock in the morning, which would give time for the answering of business letters, but when it reaches there at five o'clock in the afternoon it is too late for attention that day. The situation with regard to Toronto is being dealt with, but I did feel that it would be of interest to the House to know the facts as regards all the stations between Winnipeg and Saskatoon on the Canadian National. As has been pointed out, perhaps the present service is a development of the old service before what is the present Canadian National line was built. If that is so it is no reason why this condition should continue from year to year, especially since the matter has been drawn to the attention of the department—and it was drawn to their attention very forcibly last year.

Hon. CHARLES MURPHY (Postmaster General): Mr. Speaker, if no other hon. gentleman desires to discuss the resolution which has been moved by the hon. member for Dauphin (Mr. Ward), I would like the indulgence of the House for a short time while I offer some observations regarding it and what has been said in connection with it by the hon. members who have already spoken.

In the first place, Sir, allow me to thank the hon. members who have taken part in the discussion for the appreciation which they have expressed of the desire of the Post Office Department to meet the public needs and to afford the people of this country prompt, efficient and satisfactory postal service. In this connection I should also add a word of appreciation of the admission made both by the mover of the resolution and by the hon. member for Humboldt (Mr. Stewart) who stated frankly that there was no discrimination. The hon. member for Humboldt said he thought there might perhaps be a happier choice of a word for the purpose than the word "discrimination" used in the motion. As to that I take no exception; I regard it as a reflex of certain statements that were made last session before a committee of the House by a railroad official who was insufficiently informed on the subject and who consequently misled—unintentionally, I am sure—the members of the committee as well as members of the House. Had the committee seen fit to ask for an explanation from the Post Office Department they would have obtained the facts then in pretty much the same way as the hon. member for Humboldt has given them to the House this afternoon, and as they could be given, by the officials who are technically informed on these subjects, to any hon. gentleman who desired special information about some special railway mail service. For information of this kind and for the data that he may present to the House or to a committee of the House, the minister is, of course, wholly dependent upon the officials of the department.

Now, briefly, there is no discrimination. That has been admitted by the gentleman who was responsible for that impression gaining ground, when he took part in a conference held about a month ago in the Post Office Department with certain officials representing the Canadian National Railway and certain officials representing the Post Office Department. At that conference we took the precaution of having the statements there made taken down in shorthand, and I will read for the information of the House what the railway official in question said on that occasion with regard to the charge of discrimination. He said:

> I do not say we are discriminated against—I did not say that. I have not used that term at any time. I said the present service was the result of the growth of service—the present service is the result

of the growth of train service. There has been no intentional discrimination; that is a fact.

That, Mr. Speaker, I submit, clears up the situation both with regard to the railroad officials and with regard to the House and the public generally. The fact is, as stated by the gentleman from whose observations I have just quoted, that the conditions which have been referred to and which have been the subject of criticism, and quite properly so, are the outcome of the growth of service. At the same time, while that is the fact, and as one hon. member who has spoken observed, that is no reason why if present conditions are not found to be satisfactory there should not be changes made. There have been changes made; others are in contemplation, and further changes will be made from time to time until eventually we hope to attain practically an equal division of the railway mail service between the two great railroads in this country. In that connection I might point out that while at the time of the holding of the inquiry before the special committee of this House last summer, it was alleged that there was a difference in the annual payments of about $750,000 in favour of the Canadian Pacific Railway, as between that road and the Canadian National Railway, that condition no longer prevails; and by reason of improvements and changes that have since been made, the reduction in that difference which was observable at the end of the year indicates that the amount will be more than cut in half for the present year, and as time goes on a progressive improvement in the same direction will be made. In that connection let me place on Hansard a statement which I am sure hon. members who have taken part in the discussion, as well as other hon. gentlemen in the House, will be glad to have in order that they may be able to supply to their constituents or to others who may be interested in the matter, proof of the statement that has been made in the direction that I have just mentioned.

The following statement shows, by provinces, the mail services, all classes, including storage cars—overflow mail—and transcontinental routes, with expenditures for mail carriage, and number of post offices served for quarter ending September, 1924:

Province	Canadian Pacific Railway			Canadian National Railways		
	No. of services of all classes	Total expenditure	No. of P.O's served	No. of services of all clasess	Total Expenditure	No. of P.O's served
		$ cts.			$ cts.	
Prince Edward Island	.....	.....	.....	25	12,398 80	124
Nova Scotia	.....	.....	.....	58	67,774 90	1,400
New Brunswick	42	19,091 66	280	72	59,558 64	498
Quebec	63	88,287 04	1,232	131	157,443 78	1,789
Ontario	104	315,992 58	1,118	199	277,343 26	1,800
Manitoba	40	100,892 86	438	48	59,572 93	572
Saskatchewan	58	153,141 26	826	65	106,844 08	922
Alberta	38	110,727 17	600	25	45,751 60	685
British Columbia	42	100,068 82	625	4	12,777 72	275
Total	387	888,201 39	5,119	627	799,465 71	8,065

This statement, Mr. Speaker, is for the quarter ending September 30, 1924. Now the difference in money payments, between the total amount paid to each of the two roads, amounted for that quarter to $88,735.68 in favour of the Canadian Pacific, or a total for the year if the same ratio was preserved of about, in round figures, $350,000; or less than one-half the difference that prevailed for the year which was under discussion at the time the committee sat last summer. That statement for that quarter will indicate the improvement that has been made and the equalization that has been going on in favour of the Canadian National Railway.

[Mr. Murphy.]

Mr. McQUARRIE: If I may be permitted a question, could any of these services which are assigned to the Canadian Pacific be just as well performed by the government railways?

Mr. MURPHY: In answer to my hon. friend I may say that his question touches the point that is at issue in connection with all these services; and in relation to that the department has to consider, for instance, a local service at any point in relation probably to a whole service, and it has to consider whether one road is the better adapted by reason of location, and density of population

along the line, and so on, to give service than the other road. The changes that have been made have been all in the direction my hon. friend's question indicates, that is, that where it has been found that the Canadian Pacific is serving any territory which could be as well served by the Canadian National Railway, then a change has been made in favour of the latter line and that will continue to be the policy of the department. But it all takes time, and the situation is complicated by a happening which was referred to by the hon. member for Humboldt (Mr. Stewart) who told the House that frequently the railroads make sudden changes in their time tables without notifying the Post Office Department, thus dislocating the mail service. That has happened time and time again. The Post Office Department has made representations to both railroads, and I have induced my colleague the Minister of Railways and Canals to make representations also, that none of these changes should be definitely decided upon, much less put into effect, without consulting the Post Office Department in advance, so that there will not be a dislocation of services and all these delays to which some hon. members have made allusion.

Now, there are certain features that have been brought up in the discussion that possibly might be referred to, but I do not know that it would profit any of us if I were to go into details regarding them. However, I might mention one or two. My hon. friend from Humboldt made a number of excellent suggestions. These suggestions have in part been carried out already. To the extent to which they have not been carried out immediate attention will be given to them by the department if, indeed, the department is not considering them at the present moment. In the same way the suggestions made by other hon. members—the hon. member for Saltcoats (Mr. Sales), the hon. member for Saskatoon (Mr. Evans),—these suggestions, as well as a request or two preferred by one or both of these hon. gentlemen, also will receive the immediate attention of the department if, as I have said, in point of fact it is not engaged already in dealing with them.

My hon. friend (Mr. Stewart, Humboldt) has suggested that a portion at least of the overflow mail—the seasonal overflow mail as he happily characterized it; that is mail which appears from time to time and is not continuously in flow throughout the year—might be given to the Canadian National Railway, and my hon. friend instanced magazines, catalogues and so on. That class of mail has been given to the Canadian National Railway, and as a matter of fact the system has been paid through one quarter approximately $30,000 for the carriage of that particular class of mail.

I do not know that at the moment it is advisable to take up any further time of the House on this subject. It is one that my hon. friend from Dauphin (Mr. Ward) was quite justified in bringing before the House, and one which has elicited suggestions and requests from hon. gentlemen who have spoken that will bear fruit in a very short time by reason of the action which will be taken by the Post Office Department. Such being the case, and as we are all in agreement that there is no discrimination—I have quoted to the House a statement on that point by the gentleman who was responsible for that idea last year gaining currency—I would suggest the purpose of the mover of the resolution has been effected in introducing the resolution and having it discussed and that it might be withdrawn.

Mr. W. F. MACLEAN (South York): I did not think when I made my suggestion last night in favour of the consolidation of the two great railways in this country that I would meet with so much evidence in favour of the proposition as I have heard here this afternoon. Then let me cite another instance of approval. I was sitting down to my modest dinner last night when a gentleman came in and introduced himself to me and said "Mr. Maclean, there was more sense in what you were urging this afternoon than I have heard for a long time in parliament." The idea is going to grow; and I want to tell my hon. friends from the west that if they want to consolidate that part of Canada, make it more efficient, bring about better settlement, and have its business affairs improved, they must take up this proposal for the consolidation of these railway lines; and the sooner it is done the better it will be for them and the better it will be for the country at large. I want also to compliment the Postmaster General upon having recognized the need for consolidation and for the existence of a spirit of fairness between the two systems. But it is not so much fairness in competition between the two railways that we want as the consolidation of the two services and an improvement in the treatment of the public. If that is done you will see great improvements not only in the west but also in the east—in fact throughout Canada—because of putting an end to the existing awful extravagance of railway services, of postal services, of telegraph services, of express services and,

worst of all, the competition between the two systems to get the business.

Mr. WARD: I am very glad to accept the suggestion of the Postmaster General. I think the resolution has served its purpose, and I am sure we all appreciate the information which the minister has given with respect to the services already given and his promise to continue the good work. I am very glad, therefore, with the permission of the seconder to withdraw this motion.

Motion withdrawn.

SELECT STANDING COMMITTEES

MOTION BY MR. GOOD TO REDUCE THE MEMBERSHIP

Mr. W. C. GOOD (Brant) moved:

That in the opinion of this House, the membership on select standing committees should be reduced, so as to secure more regular attendance, and promote efficiency.

He said: Mr. Speaker, I think that at the outset we may assume that the committee work of parliament is very important; I do not suppose anybody will dispute that statement. I think I may also safely say that the committee work of the Canadian parliament is growing in importance. I think this is necessarily the result of the situation which faces us at the present time where we have abandoned the two parties in the country and in the House, and have here several distinct groups. We may have at any time a condition such as prevailed in England not long ago where the administration of affairs was carried on by a minority government. Unless some new methods can be evolved and applied, to operate the government on non-partisan lines, this situation may face us more or less continuously in the near future; and under such conditions I would submit to the House that the committee work of parliament is likely to be increasingly important. I therefore argue that committee work ought to be made as effective as possible. What conditions, then, would best conduce to efficiency on the part of our committees? I presume that regular and full attendance is at least one of the conditions that are necessary before committee work can be carried on effectively. In that regard I should like to submit to the House some statistics which I obtained from the Chief Clerk of Committees in regard to the work of committees in this House during the last three years. I desire to go into this in some detail, because I consider it very illuminating indeed. I have before me a tabulated statement, under the headings of the three years 1922, 1923 and 1924, and sub-headings as follows namely; The meetings held; the number of members; the average attendance and percentage attendance of all the committees of this House, both standing committees and special committees.

I want to deal with this table in some detail in order if possible to interpret the situation and get some light as to what ought to be done to make our committee work more effective. Let us take first the standing committee on Agriculture and Colonization. In 1922 nineteen meetings were held. The total membership of the committee was 105, the average attendance 64, and the percentage attendance 61, showing a very good attendance of a very large committee during that year. Those who were on the committee probably recall that a number of fairly important matters came before the committee, and a fairly large number of meetings were held. In the next year, 1923, the same committee had ten meetings, the same membership, 105, average attendance 45, and percentage attendance 43, a much poorer attendance in 1923 than in 1922. In 1924 there were only seven meetings held. The membership was the same, 105, average attendance 40 and percentage attendance 38. I presume, Mr. Speaker, that there is at least one conclusion or inference that we may draw at this point. If a committee has really no serious work before it, nothing of a very important character, the meetings are few and the attendance is likely to be bad. That I think is probably the inference we can draw from the figures I have given the House.

Let us pass now to the Banking and Commerce committee. In the year 1922 that committee had ten meetings, total membership 82, average attendance 19 and the percentage attendance 23. Less than one-quarter of the membership attended the meetings of the committee that year.

The next year the Bank Act was under revision, and another very important matter was also submitted to that committee by this House. There were 75 meetings held; with a total membership of 89, the average attendance was 45, and the percentage attendance 51. Considering the importance of the work the committee had to do in the year 1923, the attendance was surely bad. Later on I shall try to show the House why it was as bad as it was, only slightly over fifty per cent. The next year, 1924, the committee held 40 meetings; with a total membership of 90 the average attendance was 47, and the percentage attendance 52, the percentage attendance being practically the same as during the year preceding.

The next committee listed is the Debates committee, which did not meet at all in 1922 or 1923, and met only three times in 1924. With a total membership of 13, the average attendance was 8 and the percentage attendance was 62, a small committee, meeting I presume for some special business and having a fairly good attendance.

The Industrial and International Relations committee was created only last year. It held six meetings and out of a membership of 33 the average attendance was 12 and the percentage attendance 36, a poor attendance during the first year of its existence.

The committee on Marine and Fisheries in 1922 held six meetings, and with a membership of 36 the average attendance was 14 and percentage attendance 40. In the next year five meetings were held, and with a membership of 36 the average attendance was 14 and the percentage attendance 38, practically the same as the year before. In 1924 five meetings were held and with a membership of 37 the attendance was 11 and percentage attendance 30.

If the House will consent I should like to place this table on Hansard to save time, instead of reading it all now. It is not very lengthy and I could place it in a condensed form on Hansard.

Committee	1922				1923				1924			
	Meetings Held	Members	Average Attendance	% Attendance	Meetings Held	Members	Average Attendance	% Attendance	Meetings Held	Members	Average Attendance	% Attendance
Standing Committees												
Agriculture and Colonization	19	105	64	61	10	105	45	43	7	105	40	38
Banking and Commerce	10	82	19	23	75	89	45	51	40	90	47	52
Debates	.....	.....	.....	.....	.....	.....	.....	.....	3	13	8	62
Industrial and International Relations	.....	.....	.....	.....	.....	.....	.....	.....	6	33	12	36
Marine and Fisheries	6	36	14	40	5	37	14	38	5	37	11	30
Mines and Minerals	.....	.....	.....	.....	20	37	12	32	.....	.....	.....	.....
Mines, Forests and Waters	.....	.....	.....	.....	.....	.....	.....	.....	4	37	13	35
Miscellaneous Private Bills	10	64	17	26	9	64	13	20	33	64	28	44
National Railways and Shipping	.....	.....	.....	.....	.....	.....	.....	.....	15	15	11	73
Privileges and Elections	.....	.....	.....	.....	.....	.....	.....	.....	6	27	22	81
Public Accounts	11	61	17	29	.....	.....	.....	.....	4	61	(Unable get quorum)	
Railways, Canals and Telegraph Lines	10	126	34	27	4	130	30	23	9	129	44	34
Standing Orders	.....	.....	.....	.....	.....	.....	.....	.....	1	33	25	76
Special Committees												
Agricultural Conditions	.....	.....	.....	.....	80	19	15	79	.....	.....	.....	.....
Civil Service Inquiry	.....	.....	.....	.....	35	18	12	67	.....	.....	.....	.....
Civil Service Superannuation	.....	.....	.....	.....	.....	.....	.....	.....	6	17	10	59
Immigration Act and Criminal Code	6	19	8	41	.....	.....	.....	.....	.....	.....	.....	.....
Old Age Pensions	.....	.....	.....	.....	.....	.....	.....	.....	8	12	8	68
Redistribution	.....	.....	.....	.....	6	19	17	88	45	19	14	73
Railway Transportation Costs	29	27	(Minutes mislaid)		.....	.....	.....	.....	.....	.....	.....	.....
Soldiers' Pensions and Re-Establishment	11	28	19	68	.....	.....	.....	.....	29	29	13	46

I desire to refer, however, to some of the special committees which have held meetings during the last three years, because here I think we can learn some lessons. We had the special committee on Agricultural Conditions in 1923. That committee held 80 meetings, and with a membership of 19 the average attendance was 15 and the percentage attendance 79—almost 80 per cent attendance.

The special committee on the Civil Service Inquiry in 1923 held 35 meetings, and out of a membership of 18 it had an average attendance of 12 and a percentage attendance of 67.

The Redistribution committee met during both years 1923 and 1924. Without going into the figures other than the percentage attendance, I may state that the percentage attendance in 1923 was 88 and in 1924 it was 73.

I have not the figures as to the meetings or average attendance of the committee on Railway Transportation Costs, as the minutes seem to have been mislaid. The committee on Soldiers' Civil Re-establishment met in 1922, percentage attendance 68, but in 1924 the same committee only had a percentage attendance of 46.

It strikes me that in determining the size of committees one should keep in view the nature and extent of the business that is likely to come before any committee.

Mr. HOEY: Could the hon. gentleman give us any figures showing the attendance preceding the session of 1922?

Mr. GOOD: I regret to say that I have not any figures dealing with the committee attendance in previous parliaments.

Mr. HUGHES: I presume the hon. gentleman recognizes the fact that many members of the House are on two, three and four committees, that these committees meet frequently on the same day and at the same hour, and that therefore it is impossible for a member to attend more than one committee meeting on the same day and at the same hour. That fact should be recognized, and it should not be made to appear that members of this House were neglecting their duties.

Mr. GOOD: The hon. member for Kings, P.E.I. (Mr. Hughes) has anticipated what I was going to say in this connection. I do not wish to infer at all that this lack of good attendance is due to negligence or carelessness on the part of hon. members. It may, in some isolated cases be so, but for the most part it is due to the overlapping of committees meeting at the same time and the inability of members to be in two places at once. That is, however, a condition which we have to face. My proposal is that this matter should be faced frankly and courageously, and that we should make some effort to remedy the difficulties that we have met in the past. The Chief Clerk of Committees, Mr. Todd, was good enough to write me a letter in connection with the tabular statement, and I should like to quote, with his permission which he has given me, three paragraphs from his letter. Mr. Todd, I understand, has had very extensive experience and he speaks with some authority in regard to this question. I quote as follows:

> From my own experience, I may state that during the last three or four sessions, when committee work has been quite heavy, a number of members have complained that they have been put upon too many committees, and could not attend to them all. As a consequence, we have frequently experienced considerable difficulty in procuring a quorum.

> It seems to me that if the membership of the standing committees were cut in half, and members of the House were placed on, say only two committees each, there would be less trouble in obtaining the necessary quorums.

And the final paragraph:

> The Railway committee, for instance, consists of 128 members, with a quorum of 25, or five more of a quorum than that required for the House itself. In former years, when railway legislation was very important and numerous bills were referred to that committee, most of the members wanted to be on it. Now, however, that the number and character of railway bills is not as it used to be, members have not the same interest, with resultant difficulty in our obtaining a quorum. I think the size of this committee especially, and of its quorum, should be very considerably reduced to meet present conditions.

I also have some information regarding the reduction of the size of committees in Great Britain almost a century ago owing to their experience. I shall not weary the House with reading this; I desire merely to refer to it.

In order to get some further information on the subject matter of the resolution, I drafted the following questionnaire which I mailed to the clerks of the legislative assemblies of all the provinces of Canada, also to the Clerk of the House of Representatives at Washington. I have received some information from most of these parties. Following is a list of questions submitted in this connection:

1. Total membership of your legislature.
2. Names of your various standing and special committees, and number of members composing each of them.
3. The provisions for a quorum in each case.
4. Have you had poor or irregular attendance at committee meetings, and if so, for what reasons?
5. What principles, if any, determine the size of your committee?
6. Is there discernible any disposition to increase or decrease the size of your committees, and if so, upon what experience is this disposition based?
7. Do you find a higher percentage of attendance and better results from smaller committees?

I will give as briefly as I can the substance of the information that I have been able to secure from the various provinces in this connection.

In Ontario, the committees are large and the quorum small. I do not wish to give all the figures. My information is that the attendance is fairly good and that there is not much disposition to make any change. I believe, however, that I am safe in saying that most of the standing committees about which I have information meet more or less infrequently for special purposes and not for investigational work such as is frequently carried on in this House. The difficulty, therefore, which has been referred to, namely the inability of members to attend two committees at the same time, does not seem to have applied, at least to the same extent.

In Quebec, I also have a membership list of all the standing committees and their quorums. The standing committees are generally relatively smaller in numbers than in Ontario and the quorums are also smaller in numbers. As regards special committees, I submit the following information from the Quebec assembly rules of 1915:

A majority of the members of a special committee shall compose a quorum unless otherwise ordered by the House.

Rule No. 332 states:

No special committee may consist of more than fifteen members without special leave of the House.

I shall refer later to the situation in Great Britain in this respect.

In Nova Scotia, with a total membership in the legislative assembly of forty-three, the committees are also fairly large, relatively, I think, as large as they are in Ontario or Quebec. The report which I have does not seem to indicate any disposition either to increase or decrease, and there is no complaint as to irregularity or poor attendance.

I have also the list of the various committees, with membership, quorum and so on, in New Brunswick. I wish now only to draw to the attention of the House the opinion of the clerk of the legislative assembly of New Brunswick that the percentage of attendance in the smaller committees is better than in the larger committees.

I have not as yet received any direct reply in regard to Prince Edward Island although I have the information.

There is nothing of special interest to refer to as regards Manitoba.

In Saskatchewan, a majority constitutes a quorum unless otherwise ordered. I may say, however, that the quorums as ordered by the assembly are relatively small, running from eight down to three.

The situation in Alberta is somewhat the same. In both Saskatchewan and Alberta the membership of the committees is large. I think the situation is very much the same as it is in Ontario where the committee meetings do not clash and are held infrequently.

The information from British Columbia is also to the same effect, that there seems to be no particular disposition to move one way or the other. Generally speaking, the provinces of Canada have standing committees, the meetings of which do not, I think, clash, and no special difficulty seems to have been experienced.

I attempted to get some information concerning the situation in Australia and South Africa, but the information which I was able to secure is not sufficiently complete to make it worth while giving it to the House. I desire, however, to refer to the situation in the United States which, I think, is to a very large extent similar to Canada. In the United States the select standing committees of the House of Representatives are very numerous and small in number. There are fifty-five such committees, and it might be interesting to hon. members if I would refer to some of these committees and give the number of members composing them: On elections, three committees to consist of nine members each; on ways and means, 26 members; on appropriations, 35; on judiciary, 21; on banking and commerce, 21; on coinage weights and measures, 19; on interstate and foreign commerce, 21; on rivers and harbours, 21. And so on. The membership is almost entirely in the neighbourhood of 20—22, 22, 21, 21, 20, 21, 22, 22, 19, and so on, down through the list. There are a few smaller committees: for example, education, 15; labour, 14; patents, 14; invalid pensions, 16, and so forth. There are some with 13. Then there are a number of committees having to do with expenditures in the different departments; these are quite small committees. I might mention a few: expenditures in the State department, 7; Treasury department, 7; War department, 7, and so on. They range between 6 and 7. The committee on rules numbers 12, of whom the speaker must be one. A rather interesting committee, the 55th of the number, is the committee on the disposition of useless executive papers, 2 members. I have a letter from the clerk of the House of Representatives and I should like to quote a few sentences from it:

A majority of the entire membership, excluding vacancies, constitutes a quorum. In the House, in committee of the whole, 100 constitutes a quorum.

On the whole, committee attendance is regular. It is only when meeting days of committees clash that difficulty is had in securing a quorum.

The size of house committees is determined by the relative numerical strength of the two great political parties. The membership on committees is in ratio to that of the membership of the House itself.

I would quote now the last paragraph in this letter in regard to the percentage of attendance of smaller or larger committees. The answer is as follows:

This question cannot be answered with any degree of accuracy. I will say, however, that practically all of the large committees operate through subcommittees of 3 or 5 members each, indicating that better results can be obtained by small committees

I would refer very briefly to the provisions in Great Britain relating to special committees, or what are called there select committees. At pages 80-81 of the Manual of Procedure in the Public Business of the House of Commons of Great Britain for 1912, under the heading Select Committees, I quote the following:

> A select committee is a committee appointed by the House to consider or take evidence upon any bill or matter and to report their opinion for the information and assistance of the House.

And further on:

> A select committee must not, without the leave of the House, consist of more than 15 members.

That is all which I think it is necessary for me to quote in this connection. It seems to me that we are faced with this situation, that from time to time in this House committees meet infrequently to consider matters not of prime importance and not requiring any special investigation, but in which the opinion of a considerable number of the members is perhaps desirable. In such cases I believe that a large committee is entirely proper, and I do not desire to argue that there should be any reduction in the size of committees of that character. But some of the standing committees in this House, and practically all of the special committees, that have been appointed, are required to concentrate very intensively upon certain important matters and to give those matters prolonged and careful consideration extending over weeks and months. In those cases it is in my judgment very desirable that the committee should be smaller in number so that it would be possible for members to attend regularly; a very large percentage of attendance being in such circumstances essential. If such is not done there will prevail a condition of affairs which in my judgment is disastrous to progress; that is to say, we shall have members who, either because they cannot or do not want to attend certain committees, are available merely for voting purposes in case of need. Members can be swung from one committee to another in case of a vote, and it does seem to me highly undesirable that there should be a vote upon any matter of great importance by a member who either does not care to attend a committee regularly or is unable to do so. I could cite some cases that have come under my observation in this House, and I would seriously recommend that the whole matter be gone into carefully, and that we take into consideration the probable nature of the work of the various committees, and adjust the membership accordingly. Of course, one difficulty occurs in that connection: from time to time certain committees will have relatively few meetings and relatively inconsequential business during a particular session, and the next year very important business. But surely in view of the situation some attempt might be made to adjust the membership to meet the conditions existing at any time. I do not see why it is necessary that the membership of any committee should remain the same from year to year. If, for instance, the Banking and Commerce committee had before it such an important investigation as it had in 1923 —or rather two important matters requiring about eighty meetings—it would have been advisable to reduce the membership so that those who attend may do so regularly and inform themselves in regard to the matters under consideration.

5. p.m.

I do not wish to take up the time of the House further, but would suggest that in view of the appointment of the special committee to consider the rules, the question I have just submitted to the House might very properly be turned over to that committee for further investigation and report. And I sincerely trust that, after the question has received further consideration at the hands of this committee, something may be done to remedy what I think has been a very serious, and indeed a disastrous, state of affairs in regard to some of our important committees. The resolution standing in my name was drafted a considerable time ago and is therefore not just what I should like at the present time. I have therefore arranged with one of my friends to move an amendment which I shall gladly accept in order to dispose of the matter.

Mr. T. L. CHURCH (North Toronto): The hon. member for Brant (Mr. Good) has moved a resolution asking that the membership of select standing committees be reduced with a view to securing a more regular attendance as well as to promoting efficiency. When we look around the empty chamber today and see the House practically deserted, while academic questions are being discussed by some hon. gentlemen, it seems to me that the same reasoning with which the hon. member has supported his resolution might apply to the membership of the House itself, and that we might argue for the same reason that if the size of this House were reduced it would increase efficiency and secure better attendance. Not so. The size of the House or committees has nothing to do with efficiency or the number who attend. Members will not attend to hear trivial questions at the expense of dealing with up to date and

practical problems of an economic nature and their solution, or to deal with problems affecting the members' local or national interest.

It is pretty nearly time that private members' day was abolished altogether and that such questions as those which now appear on the order paper were dealt with when the estimates for the different departments come up. When you reflect upon the extent to which the order paper is filled with motions referring to a lot of academic questions, I think the people of Canada can congratulate themselves that we have a Senate to save us from the deluge of legislation which hon. gentlemen and some others would place on the statute books. We should have shorter sessions of parliament. We cannot expect members to sit here, day in and day out, for months, listening to discussions on academic questions. The legislature of Ontario, with a very large legislative programme to deal with, can get through in six or eight weeks, and I submit that this parliament should complete its work in from two and a half to three months. if it had up to date rules to provide for modern methods of dealing with the problems which come before it. We should have shorter speeches; we should limit the time for speeches; there should be a committee before whom all resolutions should be submitted before presentation to the House. The special committee which is to deal with the rules of the House this session would do a good work for the people of Canada if it recommended the bringing down of legislation such as they have in the British parliament, whereby discussion is curtailed and a proper closure rule enforced. The hon. member for Brant is very fortunate to-day. If he has this small attendance out of an audience of two hundred and thirty-five, how many would he have if his resolution were adopted? I am afraid he would talk to empty benches; that he would have no listeners at all.

One of the reasons why members do not sit continuously in the House on private members' day is because of the purely academic questions which are brought up. Consider the many practical problems that are at present before the people—unemployment; the social condition of the country; the transportation problem; the condition of trade, commerce and industry; agriculture, and so on. Not one of the resolutions at present on the order paper relates to the accomplishing of anything in a practical way to solve the practical or economic problems which confront us, whether they pertain to the Maritime provinces, to the west or to central Canada. And I may say just here that the west spends months telling us of its ills and woes and is happy, when sending deputations to Ottawa to place before the government the conditions in that part of the country. The same may be said of the Maritime provinces. It is about time central Canada woke up and sent some deputations to Ottawa to deal with matters affecting its interests long overlooked. Central Canada is too modest, it has paid most of the taxes since confederation and it is time it woke up and sent along a deputation to tell Ottawa of its ills and then west and east would see they were well off.

I repeat that the government ought to take steps to bring down modern rules with a view to shortening the session. No one but a rich man can afford to be a member of this parliament, owing to the way our antiquated rules permit the lengthening out of the sessions to five months of the year. We sat until July 19th last year; then with the holiday season coming on in July and August the best of the year is practically gone. Members of the cabinet are busy men; they have important departments to preside over, and their time is unnecessarily taken up in listening to the discussion of academic questions on private members' day in the House. I have looked over the resolutions on the order paper from first to last, and the only academic subject that seems to have been omitted from the bill of fare is that important question: How old is Anne? If that was included then the bill of fare would be complete. Why, there are more practical problems dealt with in an ordinary meeting of the mock parliament of a Canadian university in this country than there have been during the past month or two in this House on private members' days. Private members' day should now be abolished for this session and then, any of these remaining questions can be discussed on the estimates. For my part, I am willing to facilitate the business of the House by dealing with my resolutions in that way; and I have three on the order paper, with reference to such questions as coal, unemployment, the exodus and soldiers' re-establishment. I do not think that the adoption of my hon. friend's resolution would have the effect of increasing efficiency. The size of a legislature has nothing to do with efficiency nor with the number who attend. For the reason I have stated Mr. Speaker, I am opposed to my hon. friend's motion.

Mr. W. G. McQUARRIE (New Westminster): It seems to me that the great trouble with this House so far as the committees are concerned is that we do not get down to business soon enough. I think I am correct in stating that last year there were no

meetings of any of the standing committees, except for organization purposes, until after the Easter adjournment. That meant that when we got down to business toward the end of the session there were a great many committees meeting at the same time. Most of us were on two, three or four of them, so that it was impossible for us to attend them all. That is the position I was placed in, and of course the same applied to other hon. members.

Now, we have wasted a good deal of time during the present session without doing very much committee work. I am on three committees this year, and none of them has so far met. I presume that this session will travel along in the same old way; that there will be no meetings of these committees until after the Easter adjournment. If it could be possible for the government to get down to a business basis and have the committees start their work right at the beginning of the session, then we might be able to avoid the duplication of sittings that we have always experienced.

So far as the number on the committees is concerned, I do not think it will make very much difference if the number is reduced. I question whether this resolution, if passed, could accomplish anything. I do suggest, however, that the government might do something to expedite the work of the committees. I asked the Prime Minister (Mr. Mackenzie King) the other day if we were going to have any committee meetings before the Easter adjournment, and he told me he thought that that was a matter for the members of the committees. He suggested that if I happened to be on a committee and thought that that committee should be at work, it was for me to take the matter up with the whip—government whip, I presume—and see that the committee got down to work. I do not know that I am supposed to be a supervisor of the government whip, or to dictate in any way to the government or to the chairmen of committees as to when they shall start their business. I think if I went to any chairman of a committee and tried to dictate to him, he would immediately tell me to mind my own business. But in my capacity as a member of this House, I think it is only my duty to state my views as to the meetings of committees, and I do recommend that something be done to get our committees working earlier in the session.

Mr. J. L. BROWN (Lisgar): I am sure we are all anxious to facilitate the progress of business through the House, and since coming here I have very frequently felt as the hon. member for New Westminster (Mr. McQuarrie) has done, that we do not get down to the business of committees early enough. I know that certainly some of the business that comes before some of the committees might just as well be brought before them earlier in the session; on the other hand, there is some business that cannot be brought before the committees until the House has been in session for a certain length of time. However, I shall not enter into a discussion of this matter at any length. It has already been indicated that there is perhaps a better method of our dealing with this subject than taking a vote in the House upon it at the present time. A committee was promised, and I think very properly, earlier in the session, and I think has already been appointed, to consider the advisability of revising the rules of the House. That, of course, refers to procedure of both the House and the committees, and in view of that fact, I would move the following amendment to the resolution, seconded by the hon. member for Battle River (Mr. Spencer):

That all the words after the word "House" in the second line be struck out and the following substituted therefor:

The question of revising the membership of select standing committees so as to secure more regular attendance and promote greater efficiency should be referred to the special committee already appointed to consider the advisability of revising the rules of the House, and that the said committee be requested to report upon the said matter during the present session.

Mr. GRAHAM: Might I suggest to the hon. member that in order to have his motion in conformity with the one naming the committee, it should read "the special committee appointed to consider jointly with Mr. Speaker."

Mr. BROWN: Yes, I move accordingly, Mr. Speaker.

Mr. GOOD: Before the question is put, Mr. Speaker, I should like to say that I am entirely in accord with the amendment. I think it is the proper procedure under the circumstances. I only desire to say that the hon. member for North Toronto (Mr. Church) has already four resolutions on the order paper for private members' day, and he has I think disposed of another one; so that if he is very anxious to get rid of private members' day, he perhaps can help in that direction as much as anybody else.

In regard to the remarks of the hon. member for New Westminster (Mr. McQuarrie), I am afraid that the earlier meeting of committees will not wholly solve the difficulty that I mentioned. When two or three important

committees are meeting at the same time, and practically have to meet at the same time, it is very necessary that the committees should not be composed of the same membership. That has happened in the past, and I submit to the House that that is a problem which we ought to tackle. While I am entirely in accord with what the hon. member has said as to the advisability of committees meeting as early as possible in the session, I would submit to him that that will not be an entirely adequate and sufficient solution of the difficulty that we have to face.

Mr. SPEAKER: Is it the pleasure of the House to adopt the amendment?

Amendment agreed to.

Mr. SPEAKER: Is it the pleasure of the House to adopt the main motion as amended?

Main motion as amended agreed to.

DEFENCE OF SEA COASTS AND OCEAN-BORNE COMMERCE

Mr. A. W. NEILL (Comox-Alberni) moved:

That, in the opinion of this House, Canada should consider the question of the defence of our sea coasts and of our ocean-borne lines of commerce.

He said: Mr. Speaker, I have framed this motion in the very simplest and broadest language. I wish to avoid the error into which I think the hon. member for South York (Mr. Maclean) fell the other day in introducing his resolution in connection with the British North America Act. He lost a good deal of support for the main principle of his motion by tacking on to it a detailed method of carrying it out.

I would ask the liberty of the House to diverge for a moment to perhaps a more personal matter. Some months ago I saw an editorial in a paper called the Mail and Empire—I should not say I saw it, because my attention was called to it. Personally I only subscribe for the better class of newspapers.

Mr. GARLAND (Bow River): Where is that paper published?

Mr. NEILL: I have only an obscure knowledge of this particular paper, but I think it is published in the city of Toronto. I wonder is that the same city that publishes the Orange Sentinel. It is, eh? Well, Mr. Speaker, that accounts for a whole lot, does it not? It is a surprising thing to me to find that a city that sends men here as able as the Toronto representatives, particularly the hon. member for Centre Toronto (Mr. Bristol) and the hon. member for West Toronto (Mr. Hocken), should be found lending its support to newspapers of this character. When the occasion offers I think I shall make it my business to visit the city of Toronto, and observe at first hand the habits and customs of this quaint and interesting people, with their strange weird newspapers. This particular editorial is a peculiar one. It is incorrect as to its facts, very muddy as to its logic, and faulty as to its grammar which one would not have expected. But it suggests that a dark conspiracy exists between myself and the members of the government in connection with my bringing in this resolution. Having a simple, innocent mind myself I cannot see where the conspiracy comes in, nor can I see any purpose or benefit to either party in a conspiracy of that kind. However, I can assure the House that before I put this notice on the order paper I had no communication whatever with any member of the government or even with any member of the House. If the Toronto Mail and Empire would believe me—but I suppose its mental efficiency has been so impaired by long years of narrow, partisan viewpoint that it is very difficult for it to do so—it might accept the very simple solution that I put this notice on the order paper because, as I represent the constituency farthest west in Canada and the one that would be almost certain to have to bear the brunt of any attack in case of a war on the Pacific, I deemed it my duty to lay the facts there before this House and before this parliament because when our hour of travail comes upon us I do not want my constituents to say, "Our representative knew of these conditions and failed to warn the public and parliament." I propose, therefore to transfer the responsibility in that regard to this House and to this government.

I wish to be particularly careful, in handling this matter, to do so from a non-partisan viewpoint, and for that reason I have been careful, not even to seek information as to the history of this or similar transactions in the past I care not what Conservative or Liberal in days gone by should or should not have done in this matter. We are living in the present and the future is our responsibility. "Let the dead past bury its dead". There is ample scope in this matter to enlist the very best abilities of both sides of the House, of all three parties in the House, in order that the government may be advised as to the adoption of a policy in the best interests of the country at large. I would suggest, if I might make the suggestion in a modest way, that a committee of this House—a small committee re-

presenting a few of the ablest men on each side or of both the three main parties—might be formed to consider this matter. I believe that the leaders of the Conservative and Progressive parties are big enough men to subordinate any possible party advantage and to act with the government members of the committee, and with the aid of experts—because the committee's deliberations would be of little use in such a highly technical matter without the aid of experts—they might be able to arrive at and enunciate a policy that would be of the very greatest benefit to Canada. That policy might be known, I was going to say, as a national policy, but I suppose that would be infringing upon a long established political trademark. It might be called, however, a "Canadian" policy, and the credit of it would enure not to the government or the opposition but to all parties in the House alike, and incidentally probably would have an additional chance of success from the very fact that it was non-partisan in its origin.

There are two phases of this question that I want to discuss as briefly as I can. The first, and the most important one by far, is: Is there necessity for such defence? Secondly, the method of furnishing such defence. The first question is by far the most important. Grant me that and I care not at all if we do not agree as to the details of furnishing such defence because it would be almost impossible for us to do so. It is a singular fact that there is no representative in this House—I think I am justified in saying so—who has any real, practical knowledge on the subject of naval defence. If it were a question of law, of medicine, or of military matters, we have plenty of experts—men qualified to speak with authority—but not in this particular instance.

Mr. HANSON: What about the minister?

Mr. NEILL: He has, I think, no personal naval knowledge.

Mr. GARLAND (Bow River): What about the hon. member for Lunenburg (Mr. Duff)?

Mr. NEILL: Fishing and naval defence are two wholly different things. Dealing with the second phase of the subject I should like to touch on this point: There is a great diversity of opinion, there must be naturally, as to how we would carry out any adequate system of defence. Some members would advocate the buying, or perhaps borrowing, of ships from Britain. Others would have us build our own ships. Others suggest we do not need capital ships but might depend on an aeroplane service, or submarines, and possibly gas—but I do not propose to invite any possible conflict of opinion by discussing any of these diversified ideas; that is a matter, as I have already said, entirely for experts. But there are two facts which I would like to mention that would have to be considered in arranging defence. The one is that we have in Esquimalt, which is close to Victoria, a dry dock which is soon to be completed at a cost, I think, of $7,000,000. That dry dock is of very vital importance to the British navy operating in the Pacific. If that navy should meet with any mishap rendering repairs necessary, as a result of war operation, it would be of the most inestimable benefit for the vessels of that fleet to be able to go into dry dock there and the fact of there being a dry dock would avoid those ships having to return to Britain. In the case of war ships coming from Britain they might have to go round cape Horn, owing to the possibility of the Panama canal being blown up at the very inception of hostilities, and after reaching the Pacific coast of Canada it would be necessary for them to go into dry dock, because a man-of-war is a very intricate piece of mechanism and needs constant care and overhauling. It is very important therefore that this dry dock should be protected. Yet to-day that dry dock is almost open to the attacks of any man who comes along with a motor boat and a few rifles, and might readily be blown up. There are a few obsolete guns mounted on the fortifications but it would take them all their time to protect themselves let alone the dry dock in case of attack. Another point is that Barkley sound, which is on the west coast of Vancouver island, would likely be the very spear head of an attack on the Canadian positions, because it is the most westerly point of land, is the most exposed, and is particularly unprotected. It has the third biggest harbour in the world, a natural harbour, and it runs into the island, so that its head is within thirty miles of the east coast, and it happens to be the end of one of the Transcontinental lines of railway. It certainly should be protected in some way, and the dry dock ought to be protected from attack both by water and by air; land fortification is not so important.

I am dealing only with the Pacific partly because that is the part of Canada with which I am acquainted, and partly because there is where the danger of war is most to be apprehended. This is no idea or conception of my own. We have had lately the announcement of Major General MacBrien, chief of the Canadian military staff, who has stated publicly that in his measured and considered

opinion the next war will take place in the Pacific. Another reason why I am dealing with the Pacific more particularly is because it is remote from Great Britain. A fleet can cross the Atlantic from Britain to Halifax, in, I suppose, four days; but it would take that fleet two or three weeks, possibly six weeks, to reach the Pacific.

To give you some idea of the great importance of the Pacific I may mention that the tonnage sailing in and out of Pacific ports has increased from 500,000 tons to 11,000,000 tons. Even the tonnage going in and out of the port of Vancouver last year amounted to 2,000,000 tons.

Now, I come to my main argument and it is this. We assert that we need defence on the Pacific coast, and if it should be asked "defence of what?" I would point to the dry dock in Victoria, and the large expenditures on public wharves and public buildings. In Vancouver we have a floating dry dock of very considerable value, we have the elevators and all the government plant connected with Vancouver harbour. Millions are invested there and further investments will likely be made. We have the terminals also of three railway lines. The same conditions prevail more or less in Prince Rupert. They have an elevator building there, and they have also the terminal of a transcontinental line. Roughly speaking, and keeping within a conservative estimate, it is estimated that the value of these public works and including private property would be something like $200,000,000. Now on a war insurance basis the premiums on this tremendous amount would come to a very large sum indeed. There is in addition a coast line entirely open and utterly defenceless of something like ten thousand miles, with numerous inlets, also the great Fraser river opening into the centre of the country, which it is desirable to have protected.

But the most important thing of all, and on which I would base my sole argument as to the need of the defence, if there were no other ground for it, is the shipping interests out there. The exports and imports into Canada by sea, leaving out the exports by land to or from the States, amount to $2,000,000 every day of the year, that is, there are two million dollars worth of merchandise going out from or into Canadian ports every day. The average voyage would take perhaps fourteen days. That would represent something like fifty million dollars worth of goods constantly on the ocean going to or from Canadian ports. That gives hon. members an idea of the magnitude of the shipping interests. Those interests of course would be the main object of attack. An enemy gunboat might come and put the city of Victoria or Vancouver to ransom, or they might come and blow up the dry dock, but the greatest damage they could do to Canada would be the attacking and destroying of the shipping. It was different with the Germans who had to be content with sinking ships, because they could not get them into their own harbours. In our case the enemy out there would have the double advantage, because not only would we lose the goods and ships but she would have the benefit of both ships and the goods themselves, which would be seized by her. This would not be done by men-of-war, slow-going vessels, but it would be accomplished by light cruisers, or even by armed raiders. They might blow up a town or two and hold them to ransom but the main object would be to blockade the country and destroy the shipping. The greatest damage would be to the province of British Columbia, because that is where the different trade routes converge coming into port. Once a ship got out in the open Pacific it would have a chance for its life, because the ocean is very big and the British fleet would be likely to safeguard the main routes, but when it comes to the smaller ports the greatest danger would arise. That is what we have to defend on the Pacific

It may be asked, against whom do you suggest it would be necessary to defend? We have all observed the complications that are arising in Europe. You have only to read the daily paper to see how constantly near a conflagration they are. Dealing with the situation on the Pacific ocean, there are seven nations involved, or counting Australia, New Zealand and Canada as one, there are five nations with large territorial interests and coast lines, and any one of them may precipitate a war at any time, or one of the nations may, as in the case of Belgium, be dragged into a war quite unwillingly.

Now consider the possibilities of war. I know it is very unpopular to talk about war. There is a sort of psychological reaction against it. The sufferings the public have endured, during and since the war, have given them a distaste for the subject, and they want to try and put it out of their minds by refusing to talk about it, and they say, "There is no war and there will be no war". But we would be lacking in our duty as legislators, if we shut our eyes to the plain facts, however willing we may be to do so. We are told that there is no need to talk about war, we have the League of Nations. Yes, we have the League of Nations. I could talk for an hour on the disabilities connected with the League of Nations, but I think it

will be admitted by any student of the subject that the League of Nations is to-day a source of weakness to Great Britain, and she never would have gone into it if she had not believed that the United States would also be a party to the League of Nations. Britain is confronted with great obstacles and dangers owing to her adherence to the League of Nations. She has either to break faith with France or to coerce a number of small Balkan states which might at any moment cause trouble, and there is little doubt that her comparatively isolated situation in the League of Nations is a source of danger. But the United States is not a party to the League of Nations. A league of nations that does not include the United States or Germany or Russia or Turkey, with a united population of almost three hundred million, or nearly fifty per cent of all the white races on the globe, cannot help being weak and ineffective in the exercise of any power to stop war.

We are told that we should remain defenceless, because a number of people cry, "Peace, peace", when there is no peace. But do we require to be taught the lesson a second time? Who was so blatant in his declaration of peace previous to the Great War as the Emperor of Germany? Did we not pay in the blood of the human race for our foolish belief in his interested assurances? It is an absolute fact that many of the men lying in Flanders are there to-day because we had to rush in men who were unprepared for war. We paid in blood the price of unpreparedness. When we recall the occasions of men going up to the front, infantry men who had never fired a rifle in their lives until they reached the front, and men who took charge of aeroplanes the third time they had ever seen one, because there was no time or material or instructors, artillery men supplied with twenty rounds of ammunition to last them a week in competition with an enemy who could fire that number of rounds a minute, we begin to realize that we paid in the slaughter of our men because we listened credulously to the assurances of the German emperor and people of his ilk.

There is another argument, in addition to the one based on the League of Nations, which has been advanced. We are told we are going to have disarmament. We have had disarmament conferences and are going to have more of them. I have no doubt we will have more, but as to their efficiency, I think the matter will have to be considered very carefully. The actual results of disarmament conference recommendations up-to-date have been exceedingly small, very much smaller than is popularly supposed. The sole limitation imposed by the disarmament conference at Washington was not to limit the size of fleets at all. It was supposed to be, but all that was limited was the size and numbers of the capital ships; that is men of war like a dreadnought. There was also a provision as to aeroplane carriers. And they did put a restriction on auxiliary ships—that is, smaller than capital ships—and the restriction they put on was that they were to be of not more than a certain size and a certain gunnage capacity, and the result is that instead of reducing the navies it has increased them, because you will understand you can build more ships when they are a reasonable size and reasonable in price than when you require to build an enormous dreadnought. Suppose the Utopian dreams come true—and they have never yet come true in this world—but suppose disarmament is an accomplished fact; suppose they succeed in suppressing the instincts, the ambitions and passions of every nation in the world, whether they belong to the League of Nations or not, and we have universal disarmament—and you would not expect a ten year old child to believe it—what does it mean? It means a great advantage in one respect and one respect alone; it would be a tremendous advantage to the human race, as it would stop the enormous economic waste caused by maintaining armaments, and that is all it would do.

I want to lay down another principle and emphasize it, because it is almost the crux of my argument. Disarmament does not stop war. I think it is the popular idea, but it is not correct. No greater fallacy was ever enunciated than the proposition that armament is the cause of war or that disarmament would stop war.

Mr. SHAW: Does the hon. gentleman say that armament would stop war?

Mr. NEILL: No. Armament, to a certain extent encourages war. It encourages a nation to be truculent towards its weaker neighbours. Disarmament, to a certain extent, also encourages war, because a weak nation, defenceless and unprotected, offers an opportunity of attack by a bullying or aggressive neighbour who wants to take advantage of the weaker nation's necessity. To that limited extent, disarmament encourages war and armament also encourages war.

Mr. SPENCER: What, in the hon. gentleman's opinion, is the general cause of war?

Mr. NEILL: I am coming to that. I was so careful to get it precise that I have written it down. War is caused by the conflict of different national, economic and racial policies, by the never-ending economic competition, by the strife for trade, by the demand for an outlet for surplus population, by the demand for a place in the sun. These are the causes of war, and not the fact that one nation is armed more than another. We had war in the world long before there was armament. Men fought with scythes and pitchforks for lack of more effective weapons, and they would do so again if they could not get the ordinary armament of to-day. But that is not what would happen. If we had disarmament, this is what would happen. It would mean nations ostensibly adhering to the pact and at the same time secretly preparing for war. It would mean nations secretly equipping factories, ostensibly for industrial purposes, but so prepared that by the tearing down of a partition and the coupling up of a pulley, they could be used for the manufacture of munitions of war. The nation that was most unscrupulous, the most careful to carry on these secret preparations, would be the one ahead in the game. This would put a handicap on the nation that sought honourably to adhere to the disarmament treaty and would be a great stimulus to dishonesty in the matter.

Mr. WOODSWORTH: If the causes of war are so largely economic, might it not be wise to devote our attention to removing the economic systems that perpetuate war?

Mr. NEILL: Yes. I quite agree with that, and when the millennium comes, we shall all be in heaven. Both are equally remote at the present time. I am talking about the present day, present conditions and the present generation. I do not expect to live in the next century, I am interested only in this one. There will also be the situation of a nation keeping outside of a disarmament conference, and, not by her government but by private manufacturers, building cannon and guns ostensibly belonging to themselves, which armament they would be ready to deliver when war broke out to any country which, perhaps, had already paid for them. The disarmament conference applied only to capital ships and heavy cruisers. It had nothing to do with light cruisers, destroyers, aeroplanes or gas.

We have only to remember, to go back for a moment to the "secret preparations" idea, what is going on in Germany to-day. Under the treaty of Versailles they have a rigid inspection by an Allied Military Commission as to whether they are carrying out this compact, and the commission has discovered and reported that they cannot enforce this. They have discovered large quantities of gas masks, gas manufacturing machinery and the smaller class of munitions, rifles and so on. Although they have this military inspection which would not occur under ordinary conditions, to control these things, they have not been able to control them. It has also been discovered that they have the skeleton of the headquarters staff of an army as big as they had before the war. These things cannot be controlled.

Mr. SHAW: Does the hon. gentleman place much faith and credit in the report of that military commission that has made the report to which he refers?

Mr. NEILL: I think I am entitled to accept to a large extent, the report of a commission presided over by General Foch and accepted by Britain.

Mr. SHAW: I should think not.

Mr. NEILL: I was going to touch for a moment more on the Washington conference, which did something of very vital importance to Britain. Britain there agreed to depart from the three to one naval power arrangement and to come down to a one to one. Where before she had maintained a navy equal to any two of the next two naval powers, she agreed at that conference, unfortunately, I think, for our interests, to come down to a basis of the next highest, so that any two nations would have a bigger fleet than Great Britain. That is one of the outstanding features of the disarmament conference.

As regards the prospects of war, nations do not advertise their intention of getting ready for war or of going to war. You can judge only by small matters. If you read the report of what is going on in the United States to-day, are they not strengthening, day by day, their defences? They are strengthening their air fleet, their navy, and they are even recruiting corps of nurses to be ready for any eventuality. If you look at the last Japanese budget, you will find that over fifty per cent of it is devoted to preparations for war. They have strengthened, increased and developed their compulsory military system. All these things have their significance, and surely it is a much more significant factor, which I do not think can be gainsaid, that there has lately occurred a thing which has been dreaded by every military student for the last one hundred years—an

Oriental-Slav combination. A treaty has been made by which China, Japan and Russia, make a defensive or possibly an offensive alliance. The resources of China are almost untold as regards population, and when they are properly trained, equipped and led, they make very good soldiers; they are second to none. China is to have a peace army of 800,000, capable of expansion to double that number, to be trained, educated and equipped by the genius, thoroughness and energy of the Japanese. The Japs have their own excellent fleet and a peace army of 250,000, convertible in three weeks to 500,000. Above all, they have the co-operation of Russia with her great ability to supply not only men, but food, and greatest of all, her ability to create a diversion in Europe by starting a war in Europe in such a way as to require the concentration of armies and fleets there. It is a combination that is, to a large extent, I will not say irresistible, but very strong and powerful. This combination is aimed, so it is stated, against any possible combination of the United States, Great Britain and France, but I notice that the door has been thrown open for Germany to enter into this Slav-Oriental combination, and it is too much to expect that she would not take advantage of such a favourable opportunity. These three powers the two oriental nations and Russia, have a combined population of 522,000,000 and, with Germany, 582,000,000 ranged against what? Against 185,000,000 of France, Britain and the United States. That is rather more than one-third if you leave out Germany, and considerably less than one-third if you take Germany in.

Under these conditions it is not a dream to say that war may any day, and will some day, occur, and it is more than likely it will occur on the Pacific. I have not quoted my opinion; I have quoted the opinion of Major General MacBrien. Are we to repeat history again? Britain had a very able and experienced soldier in the person of Lord Roberts who spent the last years of his life in warning Britain what was to come. His opinion was based on no fanatic idea of militarism but on his reading of the signs of the times, just as a farmer reads the prospects of the weather or the crops. They paid that man a big sum for his work, and when they received his recommendations they laughed at them. We have since paid for that. In this instance, we have the recommendations of Major General MacBrien who points to a war on the Pacific.

[Mr. Neill.[

Mr. BIRD: Does the hon. gentleman not think that the soundness and elasticity of our national credit is a better security for our nation than an armament which will possibly be obsolete before it is built?

Mr. NEILL: I must confess I do not think so. When I go out to fight, I want something to fight with, not an economic situation of a problematical kind.

Mr. BIRD: Is it not a fact that in the recent war the nations whose credit was most elastic, healthy, eventually won the war against nations that were armed in a far superior way than ourselves?

Mr. NEILL: Yes, in the long run that is true. But who stood in the forefront and paid the price at the beginning?

I laid down the proposition that we need defence, and if we accept that, we must now address ourselves to the question as to what we have either in the way of our own resources, or what we may expect from others. On the Pacific we have practically nothing but one or two boats with a few obsolete land guns. We have a destroyer which mounts three 4-inch guns instead of four 4.7 guns as a modern boat should have. It is hopeless so far as its radius is concerned; it could not hit anything five miles off. It is hoplessly outclassed by modern boats of the same type, and it was built in the early years of the war when material and time were considerations of importance.

Mr. CARROLL: The hon. member, I suppose, is aware of the fact that these boats are simply used for training purposes.

Mr. NEILL: Largely, but they are all we have.

Mr. GARLAND (Bow River): Is there any danger that this will lead to another Petersen subsidy, for arms?

Mr. NEILL: The subject is altogether too important to be treated lightly. We shall deal with the Petersen subsidy at the right time, and I am sorry to hear the hon. member for Bow River treating lightly a subject the importance of which he may come to recognize later on. I would ask hon. gentlemen not to interrupt me further because I want to finish with this destroyer before six o'clock. It is made of plates of steel three-sixteenths of an inch thick, that is, about double the thickness of an ordinary strand of telephone wire. And it is not galvanized. Now, anyone who has lived near the coast,

where telegraph wires are subject to the spray of salt water, knows that the galvanization rusts off in a very few months; and this boat has no galvanization on it at all. You can imagine therefore what the effect of the salt water has been on it during these years. Some day it will run against a floating log or one of our British Columbia salmon and crumple up like last year's snow.

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

Thursday, March 12, 1925

The House met at three o'clock.

CANADA—UNITED STATES SMUGGLING TREATY

Mr. SPEAKER: I have the honour to inform the House that a message has been received from the Senate acquainting this House that the Senate doth unite with the House of Commons, in the approval of the treaty for the suppression of smuggling operations along the international boundary between the Dominion of Canada and the United States, and assisting in the arrest and prosecution of persons violating the narcotic laws of either government and for kindred purposes, which was signed at Washington on the sixth day of June, one thousand nine hundred and twenty-four, and which was signed on behalf of His Majesty in respect of Canada by the plenipotentiary therein named, by filling in the blank space therein with the words "Senate and".

REPORT

Annual Report of the Superintendent of Penitentiaries for the year ending December 31, 1924.—Hon. Mr. Lapointe.

CORRESPONDENCE ON OCEAN SHIPPING RATES

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table such correspondence as has come to my office relating to representations on ocean rates requested by the right hon. leader of the opposition. I might say that there is a great deal of correspondence, I find, in the different departments, and it will take some days to get a copy of all the correspondence from the Department of Trade and Commerce. Some of the other departments have correspondence relating to this subject ready to table to-day. When the right hon. gentleman made his request I immediately asked each department to expedite the return.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I beg to lay on the table correspondence of the Department of Marine and Fisheries in regard to ocean freight rates.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I wish to lay on the table of the House, following the suggestion to the right hon. leader of the opposition, certain correspondence received by the Department of Railways concerning ocean rates. Considerable of this is inter-departmental correspondence, and I suppose some of these letters and memoranda will probably appear in the returns brought down from other departments. However, there may be some things here that are not included in the others.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I did not quite catch what that was.

Mr. GRAHAM: This is following along the line of tabling all the correspondence in reference to ocean rates. These are letters received complaining of ocean rates, and a good many of them, I think, complaining of the rates on the merchant marine; that is the way they got to the Railway department. The unimportant part of the file is merely interdepartmental correspondence transferring correspondence from other departments to the Railway department.

Mr. MEIGHEN: In this relation the government must be under a misapprehension as to what I asked for. I am sure Hansard will confirm what I say, when I give this confirmation of my request. What I asked was not the correspondence of individuals with the department, nor of companies nor anything else, nor with any department. I asked only for correspondence of the government, first of all between the previous government in 1920 and 1921 with the British government, or with the Imperial Shipping committee, in relation to ocean rates. Then yesterday I asked for similar correspondence between this government and the British government, or the Imperial Shipping committee, in relation to ocean rates. The return filed yesterday, or the day before, of a lot of correspondence with the Trade and Commerce department on the subject from individuals in Canada, as far as I could see, was in no way a compliance with my request. Similarly this that is filed to-day has nothing to do with my request. I have no objection to it being filed; it may be

necessary; but it has nothing to do with the correspondence I asked for.

Mr. MACKENZIE KING: I must confess I thought that my right hon. friend wanted all the correspondence that dealt with the subject of ocean rates, and I have been trying to get all the correspondence together.

Mr. MEIGHEN: I made myself clear again the day before yesterday. From the first that is all I have asked for.

COPYRIGHT ACT, 1921, AMENDMENTS

Mr. W. G. RAYMOND (Brantford) moved:

That the report of the special committee appointed to consider and report upon Bill No. 2, an act to amend and make operative certain provisions of the Copyright Act, 1921, presented this day, be concurred in.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I was not quite certain, Mr. Speaker, whether you said the report was presented this day or not.

Mr. SPEAKER: It was presented to the House two days ago. The hon. gentleman (Mr. Raymond) moved concurrence in the report on that occasion, but objection was taken, and notice was given.

Mr. MEIGHEN: I do not rise to debate the merits of the report, because I want to frankly say I do not know what the report is; but I rise to take the same exception which I took last session to policies being adopted on motions, even after one day's notice, to concur in reports of committees. The committee's report should be used as a basis on which legislation may or may not be proposed, according as the government see fit. I do not think any one is prepared to debate the merits of copyright amendments now; the subject is very complicated. It is a subject which should be introduced and placed before this House in the form of a measure, thereby giving the House all the opportunities for criticism and for review of its decision that a bill presents. If we now deal with the subject and the matter is closed just after one debate, we abandon all those safeguards which I think the House is entitled to.

Mr. RAYMOND: I beg to say that the report, which was read some two days ago when notice of this motion was given, was simply to the effect that the committee might have the authority of the House for the printing of the evidence before it and of its proceedings. That is all that is involved in the report. I agree with the right hon. member for Grenville (Mr. Meighen) that it is necessary that important matters should receive the consideration of the House, but if he had noticed the report of the committee at the time it was presented he would have seen that what I have explained is all that is involved in it.

Mr. IRVINE: At this end of the chamber we cannot hear what the report is about. As I am very much interested in the copyright question I should like to know what the report is that is being adopted.

Mr. RAYMOND: The report was read, as I stated, some two days ago, and it simply asked the permission and authority of the House to have its proceedings and evidence printed for the benefit of the members of the House and for the benefit of the members of the committee.

Mr. SPEAKER: As a safeguard may I be allowed to read the report itself which is very brief. It reads as follows:

Your committee, in accordance with the resolution which it has adopted, recommends that it be granted leave to print its proceedings and evidence, when deemed advisable, for the use of the committee and for the use of the members of this House; and that rule 74 in relation thereto be suspended.

Motion agreed to.

LEAGUE OF NATIONS

GENEVA PROTOCOL—PAPERS TABLED AND STATEMENT BY THE PRIME MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg leave to lay on the table a copy of the protocol for the pacific settlement of international disputes drawn up in Geneva during the fifth assembly of the League of Nations, 1924, of the report to the League of the committees which dealt with this matter and the covenant of the League as amended. I may say that the government received an intimation this morning that the right hon. the Secretary of State for Foreign Affairs of Great Britain made a statement to-day to the League of Nations Council with respect to the position taken by the British government, and I understand also the position taken by the governments of the self-governing dominions with respect to the protocol. My reason for laying these documents on the table is that I intend to move that copies be printed so that they will be available for members of the House when the discussion comes up on this matter.

It would be, I think, of interest to hon. members of the House to have a statement made at once by the government as to Canada's position as communicated to the Secretary General of the League of Nations, and also to the British government, some days ago. These communications have I believe been made public in Geneva to-day in accordance with our understanding with the British government. It was agreed that communications were not to be made public until after the Hon. Mr. Chamberlain the Secretary of State for Foreign Affairs had made his statement to the council. The statement is as follows:

Ottawa, March 9, 1925.

Sir ERIC DRUMMOND,
Secretary-General,
League of Nations,
Geneva.

In response to your communication of October twenty-seventh, nineteen twenty-four enclosing certified true copy of protocol for the pacific settlement of international disputes, and noting that it is open for signature by representatives of all members of the league, the government of Canada desires to state that after careful examination of the subject it has come to conclusions which may be summarized as follows:

First—that Canada should continue to give wholehearted support to the League of Nations, and particularly to its work of conciliation, co-operation and publicity.

Second—that we do not consider it in the interests of Canada, of the British Empire or of the league itself to recommend to parliament adherence to the protocol and particularly to its rigid provisions for application of economic and military sanctions in practically every future war. Among the grounds for this conclusion is the consideration of the effect of the non-participation of the United States upon attempts to enforce the sanctions and particularly so in the case of a contiguous country like Canada.

Third—that as Canada believes firmly in the submission of international disputes to joint inquiry or arbitration, and has shared in certain notable undertakings in this field, we would be prepared to consider acceptance of the compulsory jurisdiction of the permanent court in justiciable disputes with certain reservations, and to consider methods of supplementing the provisions of the covenant for settlement of non-justiciable issues, including method of joint investigation, reserving ultimate decision in domestic issues and without undertaking further obligations to enforce decisions in case of other states.

Fourth—that Canada would be prepared to take part in any general conference on reduction of armaments which did not involve prior acceptance of protocol.

W. L. MACKENZIE KING,
Prime Minister and Secretary of State
for External Affairs.

I beg to move:

That six hundred copies in the English language, and three hundred copies in the French language, of the protocol for the pacific settlement of International disputes drawn up in Geneva during the fifth assembly of the League of Nations, 1924, with report of committees, and the covenant of the League of Nations as amended be printed forthwith and that rule 74 in relation thereto be suspended.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Would the Prime Minister say whether the documents embodying the protocol laid on the table comprise any account of the position taken by Canada's representative in relation to the production of the protocol and concurrence therein at the Geneva Conference?

Mr. MACKENZIE KING: The documents are the official documents that were before the league in the form in which they have been sent to us from the league. They do not contain the information concerning which my right hon. friend has just inquired.

Mr. MEIGHEN: I should like to ask that a report be given of the proceedings so that the House will be informed of the position Canada's representative took from the beginning.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Mr. MACKENZIE KING: Just before the motion is put, Mr. Speaker. I notice that I have not included in the motion the letter from the Secretary-General communicating the protocol and of the reply of Canada to the Secretary-General tabled to-day. That should, I think, be inserted in the motion.

Mr. SPEAKER: By unanimous consent. Is it the pleasure of the House to adopt the motion?

Mr. MEIGHEN: I suggest that the information I have asked for might well be provided and printed with the other documents rather than that there should be two sets of documents.

Hon. ERNEST LAPOINTE (Minister of Justice): The representatives of Canada, as well as the representatives of the other countries, merely adopted a resolution agreeing to the submission of the protocol to the various governments. They did not accept the protocol for Canada, they were not authorized to do it, nor did any other country approve of the protocol. They merely approved of its submission for the consideration of the various members of the League of Nations.

Mr. MEIGHEN: What I am asking is that the record of the conduct be submitted to parliament. This country had a representative at Geneva. There certainly is, or should be, a document that embodies the record leading up to the evolution of the protocol. It is the production of that document which I should like.

Mr. MACKENZIE KING: There were two representatives of Canada, one an hon. member of this House and the other an hon. member of the Senate. I presume that the proceedings of the assembly have been printed in a form that will be available, but the government has no separate report of its own representatives other than what is contained in the proceedings.

Hon. E. M. MACDONALD (Minister of National Defence): May I say that I hardly apprehend what my right hon. friend desires to have furnished to the House. The protocol in this particular sitting of the league was drafted in committee, and so far as the league itself is concerned was simply dealt with in a general way like the report of any other committee to any other body. My colleague, Hon. Senator Dandurand, speaking on behalf of Canadian delegates made certain remarks which were included in the report of certain proceedings. The position we took representing Canada was not that we assented to the protocol in any way but merely assented to the proposition that it should be submitted to the different countries for their approval after consideration.

Mr. MEIGHEN: The minister referred to a general report of the proceedings. It is that report I would like to have laid upon the table.

Mr. MACDONALD (Pictou): I am afraid it would be a very voluminous document, if it had to be printed. It would hardly interest the House in detail. It would contain a full report of the proceedings, but I have no doubt that the final day's proceedings which contain all the meat of the matter might be obtained in committee.

Mr. MEIGHEN: Is there any printed report of the proceedings?

Mr. MACDONALD (Pictou): Yes.

Mr. LAPOINTE: My hon friend will find those reports in the Library of Parliament.

Mr. WOODSWORTH: Can the minister tell me when the House will be afforded an opportunity to discuss the action of the government in regard to the protocol?

Mr. MACKENZIE KING: I hope at an early date; I cannot give my hon. friend the exact time at the moment.

Mr. SPEAKER: By unanimous consent the motion is agreed to.

[Mr. Meighen.]

INDUSTRIAL DISPUTES INVESTIGATION ACT, 1907—AMENDMENT

Hon. JAMES MURDOCK (Minister of Labour) moved for leave to introduce Bill No. 25 to amend the Industrial Disputes Investigation Act, 1907.

Some hon. MEMBERS: Explain.

Mr. MURDOCK: The purpose of this amendment is to limit the application of the act in terms to matters not within the legislative jurisdiction of any province. It is recognized, of course, that the enumerative provisions of the amendment are not technically necessary for this purpose, but it is thought advisable, nevertheless, to insert them for purposes of convenience and to make the act more intelligible to the body of employees and employers whose interests the legislation is designed to serve. These remarks apply as well to any overlapping which may be found to exist in the amendment as drawn. It is hoped the enactment of the section in this form will tend to prevent misunderstandings and differences regarding the application of the act to particular disputes and create greater certainty in the administration of the act than would be possible if the provisions were couched in more general terms. The purpose of the proposed paragraph IV is to enable any province to take advantage of the Dominion act should it so desire.

Within the next day or two I shall lay on the table of the House a copy of the decisions that have been recently rendered on the Industrial Disputes Investigation Act, including the decision of the Privy council in England, and the argument that was presented before that body.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HOTEL SCRIBE

Sir HENRY DRAYTON:

1. What amount has been received from the sale of the wainscotting, doors, floors, fixtures and other material of the Scribe hotel property, Paris?
2. What was the cost of the work of salvage?
3. What amounts were received in rents for the portion of the building still under lease for the past year?
4. What were the total carrying charges for the past year, including interest on the total cost, as given by the railway management—taxes and insurance, if any?

Hon. Mr. GRAHAM:

1. The Canadian National management state that the only wainscotting removed consisted of some mahogany from former Jockey Club premises, which is being held for the Canadian National offices. All bath, lavatory, lighting and other fixtures were removed by the original proprietors. Canadian National Railways have sold some old radiation pipes, flooring and boards, for which 32,500 francs were received. All other salvage material was turned over to Ruhl Company people under their lease.

2. There were no salvaging expenses. The work was done by purchaser and 32,500 francs was net to Canadian National Railways.

3. Rent earned last year, 228,000 francs.

4.

	francs
Property taxes..	200,000
Insurance..	5,600
*Operating expenses disbursed through Messrs. Viard & Dastugue, architects..	265,000
Paid Dion Bouton for cancellation of lease..	175,000
Watchman, electricity, water, gas and miscellaneous expense..	6,200
Interest at 5 per cent on capital investment of 40,767,676 francs.	2,038,383
	2,690,183

=at exchange rate of 5.20.. ..$139,889 51

* Note by management:—Excluding 180,000 francs for taxes which is mostly recoverable on account of building being largely unoccupied. The annual rent under the lease to the Ruhl Company will be 2,400,000 francs. As normal carrying charges will consist only of interest on investment, or 2,038,383 francs per annum, the annual rent income will leave a substantial surplus, and in addition, the Railway is to receive free rental of office space which has an estimated rental value of $15,000 per annum.

No. 1 ELEVATOR VANCOUVER

Hon. Mr. STEVENS:

1. Who prepared plans for the extension to No. 1 Elevator, Vancouver, and what was the engineer's estimate of cost?

2. Were tenders called for the erection of said extension, and if so, in what manner?

3. How many firms tendered, and what are the names of such firms or individuals?

4. What was the amount of the lowest tender?

5. At what figure was the contract awarded, and to whom?

6. What is the total cost to date, based on engineer's approved certificates?

7. How much has actually been paid to said contractor?

8. Has contract been completed? If not, what still remains unfinished?

Hon. Mr. CARDIN:

1. (a) John S. Metcalf & Co. Ltd. (b) Foundations $55,000, including engineering fees; superstructure, $359,000, not including engineering fees; electrical substation, $55,020, including engineering fees.

2. Tenders were called for the foundations by advertisements in the daily papers of Vancouver inserted as follows: Vancouver Sun, Vancouver World, Vancouver Province, 3 days each. No tenders called for superstructure.

3. Five firms tendered on the foundations as follows: Cotton Company, Limited; Pacific Construction Co. Ltd.; McQueen Construction Co. Ltd.; Paulsen Company; Nickson Construction Co. No tenders called on superstructure.

4. Cotton Company at $36,715, low tender on foundations.

5. $42,807 on foundations to the Pacific Construction Co. Ltd.; superstructure awarded to Pacific Construction Co. Ltd. on a basis of 10 per cent on cost, fee not to exceed $35,000. Fee was based on estimate cost of $359,000. If cost was less than $359,000, contractors were to receive 5 per cent of difference between cost and $359,000. Contractor's equipment was on the ground for the foundations, and inasmuch as speed was essential award was made accordingly.

6. 699,238.26.

7. $583,258.52.

8. Yes.

MR. COLIN McKENZIE

Mr. DOUCET:

1. Was Mr. Colin McKenzie, barrister of Sydney, Nova Scotia, a representative of the Dominion, in England, during 1924?

2. If so, what department was he representing and on what mission?

3. How long was he so employed and at what salary?

4. What was the total cost of disbursements (a) salary, and (b) expenses?

Hon. Mr. MACDONALD (Pictou):

1. No.

2, 3 and 4. Answered by No. 1.

SECRETARY OF TREASURY BOARD

*Mr. GARLAND (Bow River):

1. Is the Deputy Minister of Finance also Secretary of the Treasury board?

2. If so, does the item of $5,000 in the main estimates for the Secretary of the Treasury board mean that the salary of the Deputy Minister of Finance is to be $15,000 for the next fiscal year?

Hon. Mr. ROBB: The answer to the first question is, Yes; and the answer to the second question is, Not necessarily so.

DAIRY CONFERENCE, 1923

Mr. CARROLL:

What are the names of the delegates from the Maritime provinces who attended the Dairy conference held in Ottawa by the Department of Agriculture during November, 1923, and what amount was paid to each by the department, as expenses?

Hon. Mr. MOTHERWELL:

Hon. John H. Myers, Minister of Agriculture, Prince Edward Island, $96.05.

Harvey Mitchell, Deputy Minister of Agriculture, Fredericton, N.B.

W. J. Reid, Director of Agricultural Instruction, Charlottetown, P.E.I., $92.70.

W. A. MacKay, Dairy Superintendent, Truro, N.S., $87.95.

J. R. Sutherland, Dairy Superintendent, Sussex, N.B., $75.30.

J. H. Simpson, Dairymen's Association, Bay View, P.E.I., $81.45.

J. S. Cousins, Dairymen's Association, Park Corner, P.E.I., $83.

W. J. Bird, Dairymen's Association, Truro, N.S., $84.70.

C. R. DeLong, Dairymen's Association, Barss' Corners, $99.05.

A. J. Gaudet, Dairymen's Association, St. Joseph, N.B., $92.60.

Heber Huggard, Dairymen's Association, Norton, N.B., $68.45.

The above delegates were chosen by the various departments or organizations which they represented. There were others appointed who did not attend. The Dominion Dairy Conference was held in Ottawa, November 29 and 30, and December 1, 1923.

INDUSTRIAL DISPUTES INVESTIGATION ACT

Mr. CHURCH:

1. Is it the intention of the government to introduce this session, any legislation to amend or consolidate the Industrial Disputes Investigation Act? If so, when?

2. What sums were paid during 1924 and 1925 for litigation and to whom, regarding this act?

3. What was the total cost of this litigation, and what accounts are outstanding?

Hon. Mr. MURDOCK:

1. Yes, see order paper of March 12, under head of "Introduction of Bills".

2. Paid during 1924: H. H. Dewart, counsel, $752.40; Lewis Duncan, counsel, $9,825.84; Bernard Rose, witness, $220.00; Jas. T. Gunn, witness, $30.00, total, $10,828.24. Paid during 1925: Lewis Duncan, counsel, $2,368.50; C. C. Robinson, counsel, $952.08; total, $3,320.58.

3. (a) $16,624.82. (b) Possibly some accounts from counsel in England.

INSTITUTE COMMISSIONER—DEPARTMENT OF AGRICULTURE

Mr. SPENCER:

1. Is it a fact, that the Minister of Agriculture intends to absorb into the department's administrative offices the function and staff of the Institute Commissioner, dispensing with the latter's services and, on the other hand appointing a new assistant deputy minister who, in addition to his regular duties of office, would undertake to perform the Institute Commissioner's present work?

2. What would be the money lost to the government in pursuing this policy in comparison with promoting the present Chief of the Institute Branch, in accordance with the merit system which the government so piously advocates?

Hon. Mr. MOTHERWELL:

1. Yes.

2. None, but to the contrary, some saving will be effected.

IMPORTS OF GLASS PRODUCTS

Hon. Mr. MANION:

What was the total value of glass products imported into Canada during the fiscal years ending March 31, 1923, and March 31, 1922, with countries whence received?

Hon. Mr. LOW:

Imports of glass and glass products into Canada during the fiscal years ended March 31, 1922 and 1923.

Countries whence received	1922	1923
United Kingdom	$ 685,806	$1,310,929
British India	5	—
British West Indies—		
Jamaica	34	—
Trinidad and Tobago	5	—
Other British West Indies	9	—
Hong Kong	1,051	998
Austria	1,305	2,583
Belgium	1,326,242	2,135,670
China	753	136
Czecho-Slovakia	65,960	131,002
Denmark	163	—
France	74,440	65,148
St. Pierre and Miquelon	35	—
Germany	19,270	87,449
Italy	20,674	4,605
Japan	52,268	46,229
Netherlands	174,873	148,977
Norway	7	—
Poland and Danzig	10	—
Sweden	—	891
Switzerland	5,221	3,614
Syria	66	—
Turkey	1	—
United States	2,964,336	3,133,528
Total	$5,392,534	$7,071,759

PUBLIC DEBT OF CANADA, 1923

Hon. Mr. MANION:

What was the amount of the public debt of Canada on March 31, 1923?

Hon. Mr. ROBB: The amount was $2,453,776,868.74.

BUSINESS OF THE HOUSE

WEDNESDAY SITTINGS—PRECEDENCE TO BE GIVEN GOVERNMENT BUSINESS

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

That on Wednesday, the 18th of March, instant, and subsequent Wednesdays to the end of the session, government notices of motions and government orders shall have precedence over all business except questions by members and notices of motions for the production of papers.

Mr. ANDREW KNOX (Prince Albert): I do not know what procedure I should follow in regard to this matter but I feel certain that a great number of the members object to having private members' day cut off so early in the session. We use up these private members' days for the purpose of bringing before the House items of importance in many cases, and we have a long list of motions on the order paper which will not be reached this session if the private members' days are cut off. I had a resolution on the order paper last year, which, for the reason that private members' days were cut off, I was unable to present to the House, and we finally had to bring it to the attention of the House in another way, a way that was forced upon us at that time. I sent in the same resolution this year in what I considered to be ample time, namely the end of October last. I found at that time that I was twenty-fifth on the list. It looks as if I might not be able to reach the resolution for some time, and I would certainly ask that Wednesday be left as private members' day for some time to come.

Mr. GOOD: Before allowing this motion to pass, I should like to ask the government its intention with respect to Mondays.

Mr. MACKENZIE KING: My hon. friend will observe that no notice has been given, so far, with respect to Mondays. It remains private members' day for the present.

Mr. GOOD: Will the government give the House any assurance that if this motion is allowed to pass, Mondays will be left for a very considerable time yet?

Mr. MACKENZIE KING: Mondays will not be taken without due notice in advance.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, I would urge that in some way we should be assured, either at this time or later, that private members will have an opportunity of bringing forward these resolutions. A good many of us come from constituencies where, perhaps, questions coming before the House and naturally brought forward by the government, do not fully meet the needs of our electors. Some of us come here representing groups that have hitherto not been very largely represented in this House. Some opportunity ought to be afforded for introducing resolutions that have not so far had a place on the agenda of the government business, and I trust that in some way the government will see that that opportunity is given.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, a brief glance at the order paper will make clear that the House should not consent to this motion passing unless we are given a very definite assurance at least as to Mondays. We have had no shadow of assurance from the Prime Minister in that regard; so far as assurance goes, he might as well not have spoken. The order paper still has ten pages of private members' motions. I do not suggest, because I know if I were in the government myself I could not suggest, that there would be time for the discussion of all of those motions in the one session, and I do not think it would be reasonable to expect it. But there are many important resolutions on the order paper, very few from members of the opposition, but many from other members, especially from hon. members to my left. Under conditions that everyone admits obtain during this session, during all the sessions of this parliament, where reasonable expedition is accorded all government measures, where there has been no show of obstruction, it should not be necessary to curtail Wednesdays at the present time with not the slightest assurance as to Mondays not being curtailed next week or the week following, and no time at all given to the discussion of these questions.

I take this occasion to refer for a moment to a resolution which stands in my name, resolution No. 29, relating to an immediate revision of the tariff. I do not assume any air of importance beyond the ordinary member when I say that no one would suggest that an opportunity should not be given, should not be assured, for the discussion of this resolution. As yet it has been called, I think, twice, certainly not more than three times,—twice, or once, about eleven o'clock at night and the other time a few minutes before six o'clock on a Wednesday. Nobody would suggest that it could have been gone on with at that time. If the House is to discuss this question, that discussion should certainly be in advance of the budget if there is any hope of substantial results. I do not suppose that the budget will be delivered until the fiscal year is over, but in any event, this resolution should be reached in advance of the

budget. I intended to ask for a special day for it, but I am not going to do so if hon. members feel that that is asking a favour which should not be given to any hon. member. But I do want to insist that it be reached in advance of the budget, and that other resolutions of corresponding importance be given an opportunity for discussion during this session. I do not know what the need for shutting off private members' day so soon is, and I do not think we shall get on very much faster by doing so. Yesterday we covered several resolutions in a short session of three hours. It seems to me that it would meet the wishes of everybody better to leave Mondays and Wednesdays for some time yet. Wednesdays can be used very conveniently for private members' days, and I fancy that the government will need all the time at its disposal to prepare its programme and that the session will be expedited rather than otherwise by giving them a little leisure on Wednesdays. I know some of us wish, and I know the government wish that, before putting some measures before the House, there had been more leisure for meditation.

Mr. MACKENZIE KING: Mr. Speaker, I think my right hon. friend is the last person who ought to complain that a longer time has not been given for discussion of these motions on Wednesdays. I have in my hand a statement of the dates at which Wednesdays were taken under his administration. I find that in 1920, twenty-three days were allowed to elapse from the opening of parliament before Wednesdays were taken, and in 1921, nineteen days were allowed to elapse before Wednesdays were taken.

Mr. RYCKMAN: Is this not a different administration?

Mr. MACKENZIE KING: Fortunately, yes. This administration has already allowed thirty-four days. I might also point out that, in the session of 1917, nineteen days were allowed to elapse and, in the session of 1918, twenty-two days were allowed to elapse before Wednesdays were taken.

Mr. JACOBS: We did not have Progressive members in the House at that time.

Mr. MACKENZIE KING: I think the government of the day proceeded on the assumption that it was part of the government's duty to see that government business was expedited and that parliament was not kept unduly long in session. With respect to the opportunities that hon. members have had, as the leader of the opposition (Mr. Meighen) has just said, he, as well as others, have had at least two or three opportunities to speak. If they did not take advantage of the opportunity presented on the order paper, that was no fault of the government, it was entirely their own fault. A member can begin discussing a resolution and adjourn it. If they have not gone on, it is because they did not wish to go on with their resolutions. The right hon. gentleman says that he hopes the government will expedite its programme. Every hon. member and, I believe, the country generally realize that the government has expedited its programme and has been in readiness.

As regards the budget, the government would have brought down the budget this afternoon, but for the debate that has been going on with respect to ocean rates. If that debate is concluded to-day, the budget will be brought down on Tuesday; if the debate is not concluded to-day and is concluded on Tuesday, the budget will be brought down on Thursday. But we are certainly not going to hold over the budget to suit the convenience of my right hon. friend or any other hon. member with respect to any motion he may have on the order paper. I think the country looks to have the business of the country conducted as expeditiously and efficiently as possible, and it is part of the government's programme to see to it that measures are brought down in an orderly and speedy way. We hope that in bringing the budget down at an early date, we shall greatly expedite the work of this session of parliament. There is no reason why, if the debate on the budget begins on Tuesday or Thursday, it should not be concluded before the Easter recess. Hon. members have been asking the government at different times to open the session earlier so that they might get back to their homes before the summer comes on. Hon. members of both groups have made that representation. I might draw the attention of the House to this circumstance;—this year the debate on the Address was much shorter than in any other session we have had of this parliament, and that has afforded a longer time for private members' motions than was afforded on previous occasions. I think, under those circumstances, the motion should be carried.

With respect to Mondays, as I have already said, the government does not propose to take Mondays at the present time, and it will give due notice before attempting to do so. The question of taking Mondays can be discussed at that time.

Mr. MEIGHEN: The Prime Minister, unintentionally or otherwise, has misapprehended what I stated. But first let me compare the

present situation to that of previous sessions. I have not looked up the dates and therefore do not dispute the correctness of the figures given. The point I make however, is that this session the legitimate business of private members, comprising motions of the greatest consequence, has not been reached. There has been no opportunity for discussion, for there are pages and pages of such motions, some of them of considerable importance, still on the order paper. It is the condition of the order paper which I plead as a reason for not hastening the taking of Wednesday for government business. This was not the case—certainly it was not so to the same extent or anything like it—in previous years; and I do not think that in any of those years the government forced the abolition of Wednesday as private members' day against the wishes of the House or of any substantial proportion of it. The Prime Minister says that I have been urging expedition, and I think he said, the expedition of the budget. I said nothing about expedition at all, but I did think that the government would have opportunity enough for expediting its business without reserving to itself so soon a day which should be devoted to the discussion of private motions. What I urged was not the hasty bringing in of legislation but the maturity of it before it is brought in. I object, and object most strenuously, to the Prime Minister's intimating to this House that I have missed opportunities of going on with this resolution. Imagine the Prime Minister suggesting that I should have responded to the call of Mr. Speaker at eleven o'clock or so at night, to move resolution No. 29 standing in my name.

Mr. MACKENZIE KING: My right hon. friend could have gone on and asked for an adjournment of the debate.

Mr. MEIGHEN: Yes; and the Prime Minister knows that an adjournment buries the resolution.

Mr. MACKENZIE KING: If the right hon. gentleman will look up the record he will find that there have been adjournments of debates which have been continued. This has happened this very session.

Mr. MEIGHEN: This session? No. There was one debate which concluded at six o'clock but which finally came on again the next day or a day or so afterwards; it was not adjourned at all. That is the only case of the kind I have known for years. And can that be urged as a reason for my going on with a resolution of this importance at a few minutes to six? I think it is most significant that the Prime Minister should suggest that the only opportunity to debate this resolution should be given a few minutes before eleven o'clock, or a few minutes before six on Wednesday. It does not indicate any disposition on the part of the government to have this subject thoroughly discussed prior to the budget.

Mr. MACKENZIE KING: The right hon gentleman could have his opportunity on Monday.

Mr. MEIGHEN: Possibly, but will the Prime Minister assure me that I shall be in a position to proceed with the resolution on Monday?"

Mr. MACKENZIE KING: On some Monday, yes; I cannot say which one.

Mr. MEIGHEN: Some Monday, after the budget. May I make a comment on the haste of the government in bringing in the budget before the end of March?

Mr. MACKENZIE KING: Mr. Speaker, I do not think my right hon. friend is in order.

Mr. MEIGHEN: I thought I was on the subject which the Prime Minister discussed.

Mr. SPEAKER: The mover of the motion closes the debate, of course. I thought, however, that as the subject was one concerning the business of the House it might be desirable that I should afford the hon. member some latitude of discussion. Generally speaking the mover of a motion closes the debate; but by leave of the House the right hon. gentleman (Mr. Meighen) may conclude what he has to say.

Mr. MEIGHEN: I do not think I have gone beyond the subject matter of the Prime Minister's speech; I did not think that he was out of order and consequently I am not. It seems to me very precipitate, this evident anxiety on the part of the government to hasten the budget before the end of the fiscal year, when the results of the fiscal year cannot possibly be known, and before the fullest opportunity has been given for deliberate debate on that subject, which is the essence of the budget itself. I did not anticipate—indeed, nothing was further from my mind—coming into conflict with the government on this subject. I never for a moment entertained the idea that the government would seek to precipitate the budget debate or would fail to give me an opportunity, if I asked it, and some definite assurance of such an opportunity, of discussing a motion of the very transcendent importance of that which stands in my name.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Some hon. MEMBERS: No.

Mr. GOOD: I asked the Prime Minister a question.

Mr. SPEAKER: The debate is closed.

Mr. GOOD: I do not propose to speak at any great length just now.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I understand that the hon. gentleman desires to ask a question. I would remind him that he has already spoken.

Mr. GOOD: Is the debate closed, Mr. Speaker?

Some hon. MEMBERS: Yes.

Mr. GOOD: Very good, then.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Carried.

Mr. MACKENZIE KING: I have no desire to press the matter unduly; my purpose is entirely that of expediting the work of the House.

Sir HENRY DRAYTON: Order.

Mr. MACKENZIE KING: If my hon. friend will wait a moment he will see that I am only trying to oblige him. I am prepared to have the motion amended so as to give one further Wednesday to private members, that is, Wednesday of next week, if that will help to satisfy hon. members. I would also intimate that the government has no intention of taking the next three Mondays—no, I will not say the next three Mondays, because when the budget comes down we shall proceed with it. As to what my right hon. friend says about bringing down the budget before the end of the fiscal year, I would point out that this has been done repeatedly.

Mr. SPEAKER: Mr. Mackenzie King moves, seconded by Mr. Graham,

That on Wednesday, the 25th of March, instant, and subsequent Wednesdays to the end of the session, government notices of motions and government orders shall have precedence over all business except questions by members and notices of motions for the production of papers.

The House divided on the motion as amended (Mr. Mackenzie King), which was agreed to on the following division:

[Mr. Meighen.]

YEAS

Messieurs:

Baldwin,	King, Mackenzie (York),
Beaubien,	Kyte,
Béland,	Lanctôt,
Benoit,	Lapierre,
Binette.	Lapointe,
Black (Huron),	Lavigueur,
Boucher,	Leader,
Brethen,	Logan,
Brown,	Lovett,
Cahill,	Lovie,
Cardin,	Low,
Carmichael,	Macdonald (Pictou),
Carroll,	Mackinnon,
Carruthers,	MacLean (Prince, P.E.I.),
Casgrain,	McBride,
Chevrier,	McConica,
Chew,	McIsaac,
Chisholm,	McKay,
Copp,	McMaster,
Crerar,	McMurray,
Déchène,	McTaggart,
Delisle,	Malcolm,
Denis (Joliette),	Marcil ((Bonaventure),
Denis (St. Denis),	Marcile (Bagot),
Desaulniers,	Martell,
Descoteaux,	Michaud,
Drummond,	Morin,
Duff,	Morrison,
Elliott (Waterloo),	Motherwell,
Ethier,	Munro,
Euler,	Murdock,
Fafard,	Murphy,
Fansher,	Ouimet,
Findlay,	Pelletier,
Fiset (Sir Eugene),	Prevost,
Forke,	Pritchard,
Forrester,	Putnam,
Fortier,	Rankin,
Gordon,	Raymond,
Graham,	Reed,
Halbert,	Robb,
Hammell,	Roberge,
Hanna,	Robichaud,
Hatfield,	Robinson,
Hodgins,	Robitaille,
Hoey,	Ross (Simcoe),
Hopkins,	St. Père,
Hudson,	Savard,
Hughes,	Sexsmith,
Humphrey,	Sinclair (Oxford),
Hunt,	Sinclair (Queens, P.E.I.),
Jacobs,	Snowball,
Johnston,	Stewart (Argenteuil),
Kay,	Stork,
Kelly,	Tobin,
Kennedy (Port Arthur & Kenora),	Vien,
	Wallace,
King (Huron),	Walsh,
King (Kootenay),	Woods—117.

NAYS

Messieurs:

Anderson,	Chaplin,
Arthurs,	Charters,
Bancroft,	Church,
Baxter,	Clark,
Bird,	Coote,
Black (Halifax),	Davies,
Black (Yukon),	Dickie,
Bowen,	Doucet,
Boys,	Drayton (Sir Henry),
Caldwell,	Duncan,
Campbell,	Elliott (Dundas),

Evans,	Milne,
Gardiner,	Neill,
Garland (Bow River),	Preston,
Good,	Ross (Kingston),
Gould,	Ryckman,
Grimmer,	Sales,
Hanson,	Senn,
Harris,	Shaw,
Irvine,	Sheard,
Jelliff,	Simpson,
Jones,	Speakman,
Kellner,	Spence,
Kennedy (Edmonton),	Spencer,
Kennedy (Glengarry & Stormont),	Steedsman,
	Stevens,
Knox,	Stewart (Hamilton),
Ladner,	Stewart (Humboldt),
Lewis,	Stewart (Leeds),
Lucas,	Stirling,
MacLaren,	Sutherland,
Maclean (York),	Thompson,
Macphail (Miss),	Tolmie,
McKillop,	Ward,
McQuarrie,	White,
Maybee,	Wilson,
Meighen,	Woodsworth—74.
Millar,	

PAIRS

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

Messieurs:

Power,	Mewburn,
Clifford,	Stansell
Cannon,	Hocken,
Archambault,	Guthrie,
Gouin,	Manion,
Laflamme,	LeSueur,
Gendron,	Garland (Carleton).

GOVERNMENT ANNUITIES ACT 1908—AMENDMENT

Hon. JAMES MURDOCK (Minister of Labour) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend The Government Annuities Act, 1908, to provide that an annuity shall not be granted or issued for an amount less than ten dollars a year.

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

Motion agreed to.

ST. LAWRENCE WATERWAY

On the Orders of the Day:

Mr. JOHN MILLAR (Qu'Appelle): Mr. Speaker, I should like to ask the government if it has received any report from the inter-departmental committee appointed to look into the St. Lawrence deep waterway project? If so, when will such report be laid on the table? If not, has the government any information whatsoever to give to the House in regard to the progress made? Also, what are the names of the gentlemen composing the inter-departmental committee?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, this is a pretty big order to handle without a moment's notice. As a matter of fact, there is an inter-departmental committee which reports from time to time purely for the information of the government and the advisory committee. I am not sure whether there is anything in their reports which should not be made public, but the government deems it wise not to publish these reports, and the wisdom of its action has been well proven. The chairman of this inter-departmental committee is Mr. Biggar, and they have made reports from time to time. To be candid, I never dreamed that these reports would be asked for by parliament. There may be nothing in them that should not be placed before the House, but I would want to look through the reports very carefully before making them public, as some of the matters dealt with between the countries affected are of a very delicate nature, and it is just possible that the information given to the government should not be made public through the records of the House. I can get the personnel of the committee for my hon. friend. I may tell him that the progress made with the deep waterways question will, I imagine, be fully discussed in the House before the session closes.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The Minister of Railways (Mr. Graham) indicated that an opportunity will be given to discuss the course the government was taking and the progress made in relation to the St. Lawrence canal development. I would like to ask him to be good enough to advise the House two or three days in advance before that opportunity is given.

Mr. GRAHAM: I thought probably that opportunity would come in discussion of the estimates for the work.

Mr. MEIGHEN: Well, we should have notice.

Mr. GRAHAM: Surely; there will be no trouble about that.

WINTER EMPLOYMENT CONFERENCE

On the orders of the Day:

Mr. D. F. KELLNER (East Edmonton): Mr. Speaker, I wish to ask what undertaking the government has entered into with the provincial governments and municipal authorities as a result of the unemployment conference last fall.

Hon. JAMES MURDOCK (Minister of Labour): Mr. Speaker, the government has entered into no agreement with the provinces and the various municipalities with regard to unemployment. In September last there was held in Ottawa a national conference regarding winter employment in Canada. The purpose of that conference at its outset was stated to be to decide that:

—the time has arrived when all public authorities, as well as those persons most intimately involved, whether as employers or workmen, in the problem of unemployment, should come together in conference for the purpose of endeavouring to devise a certain regularization of industrial employment, having regard particularly to building and other out of door work during the winter season.

The hon. member will find on pages 49 and 50 of this printed record of the report of the conference, which I am sending across to him, a statement of this government's policy on unemployment relief. There has been no change in that policy as there outlined. Also on page 125 will be found a statement in connection with certain proposals of the conference for joint participation as between the provinces, the municipalities and the federal government in relief measures. The conference was duly advised that the federal government could not subscribe to those proposals, although I did, as representing the government, agree to bring them to the further attention of my colleagues.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, the minister referred to a "conference on winter employment in Canada." Is that a new christening of the conference on unemployment that took place last fall?

Mr. MURDOCK: That is the actual and proper term that was, and should be, applied to the conference held in Ottawa. It was so stated in the calling of the conference, it was so stated all through the conference. The subject matter for consideration was whether those mayors, representatives of provinces and others authorized to expend public money could not devise uniform measures for so expending that money as to carry along certain work during the winter season that had formerly been held over for the summer season. It was a conference to consider winter employment in Canada.

Mr. MEIGHEN: I have the opportunity to advise the minister of a very, very bad slip. In the report of the conference on winter employment, it is described as a conference on unemployment. Perhaps he can get that slip repaired at the Printing Bureau.

[Mr. Kellner.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, might I ask the government if it has any definite information as to whether or not the government of Nova Scotia is actually taking any steps towards relieving the distress prevailing among the women and children in Cape Breton?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the government of Nova Scotia has not communicated anything to us with respect to their action at the present time. We have no information.

Hon. J. B. M. BAXTER (St. John City and Counties of St. John and Albert): Mr. Speaker, on much the same subject I desire to offer a suggestion. I do not want to talk, and I cannot talk at any length; but it seems to me that if we had an inundation in some place there would be no difficulty in all parties of this government getting together to afford some immediate relief. The conditions that exist in Nova Scotia I do not pretend to judge, and I doubt if individual members of parliament have sufficient knowledge to apportion blame on one side or the other.

Mr. SPEAKER: Order. Does the hon. gentleman desire to put a question ?

Mr. BAXTER: Just a question, yes; just a suggestion, Mr. Speaker, that as hungry people are apt to overstep certain lines that we do not want them to overstep, I am going to ask the Prime Minister if he will either by an assembling of people outside of the political field altogether, or by taking a representative say from each group in this House so as to make it as representative as possible, send a commission or a committee, or whatever you like to call it, into Nova Scotia to see whether the government is grappling, or is able to grapple, effectively with the problem, and to see what can be done to preserve to Canada a great industry.

Mr. MACKENZIE KING: I may say to my hon. friend that I think it would be a highly improper procedure for the federal government to interfere with the affairs of a provincial government. I would think it quite improper for this government to interfere were the Ontario government, for instance, dealing with a similar situation; I would think it highly improper for the federal government to interfere were the government of Alberta or of British Columbia, or of any other province, dealing with a like situation

in their respective provinces. That is the view of the present administration.

As to endeavouring to have assistance given to those who are suffering, I think that makes a very special appeal to every individual member of parliament, and I shall be very glad to join with other members of this House in making a personal contribution to those who are suffering in the strike at this time; indeed, I had so intended to do. However, I do not think I would be justified as a member of the federal government, holding federal funds in trust, to use those funds in any way which may have a bearing upon an industrial dispute with which this government has had nothing to do.

Miss MACPHAIL: Has not the government of Canada at other times sent money and supplies to relieve suffering in other countries?

Mr. MACKENZIE KING: No request has come from the province of Nova Scotia for assistance. If a request comes from the province, from the recognized authorities there, the government will be prepared to take it under consideration.

Mr. E. J. GARLAND (Bow River): Had the Prime Minister requests from Japan when relief was sent to that country?

Mr. MACKENZIE KING: My impression is that a request did come; I cannot say it came from Japan, but certainly it came I think from some other governments that were associated together in seeking to give relief. It was an international matter.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. D. M. KENNEDY (West Edmonton): I would ask the Minister of Railways (Mr. Graham) if the report from the two railways on the matter which was referred to them on the 8th day of January, and which Sir Henry Thornton thought could be prepared within thirty days, is yet in his hands. Have the two railways yet reported regarding the Peace river country?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): They have not.

Mr. KENNEDY (Edmonton): It is a long thirty days.

Mr. GRAHAM: Of course, if the railway presidents and their staffs had nothing else to do, they could perhaps get the report out in three or four days; but they are both very busy organizations. I hope to have the report, however, next week.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION FOR RATIFICATION DISCUSSED

The House resumed, from March 10, the adjourned debate on the motion of Hon. T. A. Low (Minister of Trade and Commerce) to ratify and confirm a contract between His Majesty and Sir William Petersen providing for the establishment of a subsidized steamship line on the Atlantic, and government control of certain ocean rates, and the amendment thereto of Mr. Clark (Burrard).

Mr. WILLIAM DUFF (Lunenburg): Mr. Speaker, the resolution which has been moved by the hon. Minister of Trade and Commerce (Mr. Low) is, in my humble opinion, one of the most important that has ever been introduced into this House for discussion. It seems to me, Sir, that I need not say that the matter of freight rates, both on land and sea, has been a burning question for a great many years, and business men in all spheres of activity have for a great many years been endeavouring to get this question solved. Of course, there are two sides to every question, and there are two sides to this question of freight rates, whether on land or sea, and for that reason this parliament should be willing to study the question from all angles so that they may arrive at a satisfactory conclusion.

It will be remembered, Mr. Speaker, that some years ago the Prime Minister of this country, the late Sir Wilfrid Laurier, after listening to representations from a great many people all over Canada, decided that it was necessary to do something with regard to freight rates on land, and the consequence was that in the session of 1903, I think it was, a bill was introduced into this parliament creating what is known as the railway commission. That commission, I think we will all agree, has done good work with regard to railway freight rates. Since that time, there has been a great deal of discussion from time to time with regard to whether the government or some other body could not in some way control ocean freight rates. In my opinion, and I think I shall be backed up by eminent authorities, it is not quite so easy to control ocean freight rates as it is to control freight rates on land; but nevertheless that is no reason, in my opinion, why this or any other government should not do everything possible to see to it that the products of the people of this country reach foreign countries at freight rates as low as possible commensurate with the service performed by the steamship companies.

As I said a moment ago, this question is not a new one. In 1911, before Sir Wilfrid Laurier, who was then Prime Minister, went to the Imperial conference, representations were made to him about this important matter, and he decided to take up this question at the conference. After discussing the matter with the representatives of the British government and of the overseas Dominions there present, Sir Wilfrid Laurier moved a resolution asking that an imperial commission be appointed to go into and endeavour to settle amicably this great and vital question. This resolution of Sir Wilfrid's was passed by the conference, and shortly after returning to this country he appointed as the commissioner for Canada to inquire into this matter no less a person than Hon. P. C. Larkin, now Canadian High Commissioner in London. However, we had an election that fall, and a great disaster befell this country—the government of Sir Wilfrid Laurier was defeated.

Mr. CHAPLIN: Another one is coming.

Mr. DUFF: Yes, and there will be more than one. There will be some after you and I are dead I am afraid. Although, as I said, the government was defeated, and although the nominee of the Liberal party, Mr. Larkin, did not enter on his duties on that commission, the matter was of such great importance that the government which followed that of Sir Wilfrid Laurier, the government of Sir Robert Borden, decided to enter upon a consideration of it, and Sir Robert Borden, very wisely I think, appointed Sir George Foster, now Senator Foster, as his representative on that commission. The commission met but there was not very much done. The imperial authorities moved very slowly, like some great bodies in Canada, with the result that very little was done. Subsequently the matter came up again. In the spring of 1913, I think it was, the flour millers of this country came to the government with a complaint that the ocean steamship lines were charging too high a freight on their products, and the government of the day then appointed Sir Henry Drayton, the present member for West York, to investigate the question. I think we must all agree that the hon. gentleman, whose name I have just mentioned was very well qualified to go into an important matter of this kind, and that anything he said on this subject should receive the attention of this House. The hon. gentleman proceeded to London and, after investigating the conditions there and at other important centres where steamship lines were doing business, he set forth certain findings and made certain recommendations. While he realized that this was a very important question and it was necessary that it should be dealt with carefully, not only in the interests of Canadian shippers but in the interest of steamship lines as well, still I think I am safe in saying that Sir Henry Drayton's report of that time found that there were certain grave grievances which should be remedied. The hon. gentleman is not the only one who has felt that way. Some three years ago, it will be remembered, at the demand—the insistent demand shall I say?—principally of hon. gentlemen representing the three prairie provinces, and perhaps with representations made by other hon. members, this government appointed a special committee of the House to go into this question, and the report of that committee is certainly very illuminating. Whilst I cannot agree with everything that committee said and reported, there is no doubt it was proved conclusively that there were certain agreements made with certain steamship companies which were not in the best interests of the shippers of Canada.

Perhaps I may be allowed here to make a personal reference, and that is to the effect that previous to the appointment of this committee and to the investigation which it made, I offered certain observations on this important matter. Hon. members who were in the House during the session of 1921 will remember that in the few remarks which I made in regard to the Canadian Government Merchant Marine I showed conclusively that the merchant marine was taking part in the meetings of what is known as the steamship conference, and while I did not know whether the rates set by this conference were excessive or not, nevertheless I stated at that time that in my opinion a steamship line owned and operated by any government should not sit in at a conference to fix rates on different articles. Even the hon. member for Burrard (Mr. Clark) in his speech the other day admitted that there was—shall I say?—a conference to fix rates, a combine. I do not want to be too hard on the steamship companies; indeed, I wish to say that these companies deserve a great deal of credit for what they have done for transportation, not only for transportation between Canada and Great Britain but for transportation on the seven seas of the world; and it seems to me that we should discuss this matter fairly and squarely and without doing anything which would unduly hurt these great companies. Personally I have a great deal of sympathy —shall I say natural sympathy?—for anybody who does business upon the great waters; and I think that any person who has either

travelled on these great steamship lines, or who has had business to do with these companies, or has watched them for the last fifty years and noted their progress and development, must certainly realize that they have been a great asset in the transportation service of the world. I am sure, therefore that this parliament will not take any action that will in any way affect or prejudice these companies as long as they do what is right for the plain people of this country.

The matter of discrimination in rates, as I said a moment ago, has been discussed a great many times, and shortly after the hon. member for West York and Right Hon. Sir George E. Foster were identified with this question it was shown that a certain company offered to take up the matter of fixing rates. Let me say before I read a letter in that connection, that it was decided by the Dominions Royal Commission:

> That it is not desirable that the operations of the steamship companies should remain longer without some measure of government supervision.

They go on to say:

> For ourselves we regard it as intolerable that British ship owners should be in a position to initiate or countenance practices of a kind so directly inimical to British trade.

Now, Sir, it is contended, of course, that the reason these rates are so high at the present time is, that there is not sufficient shipping to permit the charges to be lowered. It is a well known fact, however, that there is at least 15,000,000 tons more shipping to-day than there was before the war—in fact there is a total tonnage of something like 28,000,000 tons, representing an aggregate of some ten thousand and some odd hundred vessels.

Mr. MEIGHEN: I do not wish to interrupt the hon. member, but is not that the tonnage in only one area? I observe from the authoritative figures I have that the total tonnage is about 61,000,000 tons.

Mr. DUFF: I get the figures I have quoted from Lloyd's classification.

Mr. MEIGHEN: I think that is only for one area.

Mr. DUFF: I think the right hon. gentleman is correct, as I notice in a report of the United States merchant marine that in the United States in 1914 there were 7,920,000 tons, and in 1921 there were 18,282,000 tons; and that the gross tonnage of American and foreign vessels in 1921 was—American vessels, 67,946,000 tons, and foreign vessels, 70,000,000 tons. But the figures show conclusively that the reason given—that tonnage is not available—cannot be accepted in view of the fact that there is such a large amount of tonnage offered all over the world.

The proposition made by the government in order to arrive at some conclusion in this matter is a very important one. They say in the resolution that repeated and continuous representations have been made by the agricultural community of the Dominion and the manufacturing, producing, commercial and financial interests as well as the general merchants throughout the country, that these trading communities and interests have been and are still seriously handicapped and hampered in their trade relations with overseas countries. Perhaps this agreement, which I will refer to later, may not be the ultimate solution of this great question, but one thing for which we must give this government credit is that they have had the courage to tackle this problem, and this is certainly in their favour. They have been told by merchants and shippers all over the country that there is a grievance. Whether there is as great a grievance as these people try to make out is a matter to be decided later, but the fact remains that this government decided there was a grievance, and in order to remedy this grievance they have brought down before parliament the agreement which I have in my hand, which you have all heard read.

We have heard several speeches both for and against this proposition, and it seems to me this question is entirely too big to introduce personalities. Of course, it has been claimed that all the information which the government has is contained in a report made by a certain gentleman whose name I need not mention. Whether that is so or not—and I do not think it is so, and I think I can show that the government has had a great deal more information than is contained in that report—it is not a sufficient answer to the government's proposition to say that because this gentleman made the report this parliament should not favourably consider it; and it is useless to draw a red herring over the trail referring to the fact that this gentleman, like the rest of us in parliament, and others outside, at one time and another took part in certain by-elections. That in my opinion will not satisfy the people of this country, and hon. members who speak on this subject must certainly give better reasons for refusing to adopt this resolution than statements made with regard to the gentleman who has made the report. As I said, the question is too big entirely for that. What we have to decide is whether there is a combine, or not. If there is a combine, then I think it is up to this government and parliament to try to find a remedy. Perhaps the

word "combine" is a little harsh; for my part I think it is. But if, after hearing all these reports about the supposed combine, it seems to me it is in the interests not only of the people of this country but also of the shipping companies themselves to lay their cards on the table, to have a full and free discussion as to whether there has been a fixing of rates —a combine—or not, or whether excessive rates were fixed; so that the people of the country may know whether the steamship companies have or have not overcharged them.

Mr. BRISTOL: Will the hon. member permit a question.

Mr. DUFF: Yes.

Mr. BRISTOL: Is it correct to say that the Canadian Government Merchant Marine have been members of this combine for the last three or four years; and if so has the government obtained from the people who are running the Canadian Government Merchant Marine a full and accurate statement of what has happened in the last three years, when as I understand it they were members of the alleged combine?

Mr. DUFF: A few moments ago I said they were members of this combine, and in 1921 I called the attention of the then government to the fact; and no action was taken. I might further say that I called the attention of this government to the fact, and action I believe has only been taken lately.

Mr. BRISTOL: The question is, what information have they got from former governments concerning our own merchant marine?

Mr. DUFF: I am sorry I cannot answer that question. As a private member I would not know. All that I do know is that the Canadian Government Merchant Marine were in this conference and sat in during the years 1920 and 1921. In 1920 the matter was brought to the attention of the late government, and the merchant marine have been sitting in on this conference ever since. That is absolutely wrong, in my opinion.

Mr. BRISTOL: Therefore they should be able to give accurate information as to whether there is a combine or not, and if there is a combine they could tell us the character of it. We pay the merchant marine money for their services, and we should be able to get information from them.

Mr. DUFF: When the committee meets, some member of the Canadian Government Merchant Marine should be among the first witnesses called.

[Mr. Duff.]

Mr. CARROLL: Do I understand the hon. member to say that they have not withdrawn and that they are still members of the conference?

Mr. DUFF: I understood the Minister of Railways (Mr. Graham) to say that they had withdrawn, but I should like to call the attention of the Minister of Railways to the fact that they have not withdrawn, because they are still members of a conference on their lines running from the Maritime provinces to the British West Indies, and they are exacting rates on freight the same as the Royal Mail Packet are exacting. There is a conference or an understanding between the Royal Mail Packet Company and Canadian Government Merchant Marine with regard to freight rates on goods between the Maritime provinces ports and the West Indies.

Mr. BOYS: Can the hon. member inform the House as to the date when the Canadian Government Merchant Marine withdrew from the conference?

Mr. DUFF: I am sorry I cannot give any information as to that. It is impossible for me as a private member to give the information.

Mr. BOYS: I suppose there can be no doubt they were members of the conference on 31st December last, on which date the report was signed.

Mr. DUFF: I am sorry but I cannot answer that question. The Minister of Railways stated that they had withdrawn, but I personally think that whether they withdrew in December or earlier, it was too late. They should have withdrawn long ago, they should never have been in the conference. My information, however, is that they are still in the conference with regard to fixing rates between the Maritime provinces and the British West Indies, I say it is wrong and the quicker they get out the better.

Mr. CARROLL: That is not this conference

Mr. DUFF: No, but it is a matter of making rates and that is what we are discussing when we are considering this resolution, and I still think the ships of the Canadian Government Merchant Marine should be out of it. I said before that in discussing this question we should look at it broadly. I remember, and no doubt other members here who are as old as I am will remember, that the steamship companies operating on the north Atlantic are a different class of vessel entirely from the vessels operating some years ago, and for that reason those who have invested

millions of dollars in their different ships should have every consideration from this government and from parliament. These lines are operated, of course, principally in the interests of their shareholders, but after all is said and done we must give them credit for helping in the great transportation problems of this country.

Mr. SHAW: My hon. friend says there has been a change in the character of the ships. I would like to know generally the nature of the change in the character of the shipping.

Mr. DUFF: The steamers are very much larger and much more luxurious. There has been a great deal of comment with regard to the carrying of immigrants and the prices which these steamship companies charge immigrants coming to this country, and while perhaps it is true that the charges are a great deal higher than they were some years ago, and while it is quite true that the charges are altogether too high, yet the fact remains that accommodation on the ships which are plying between Liverpool and Montreal and Liverpool and Halifax is different altogether from that afforded in the ships in which immigrants came over some years ago. I do not remember it myself, but my father and mother came over in a sailing ship, an entirely different kind of vessel from the present day ships such as the Aquitania, or the Olympic; or some of the great liners of the Canadian Pacific Railway.

I have heard a good deal about the rates which are charged in these days, and there can be no question that there is discrimination. Whether the steamship companies can explain that away or not, I do not know. But the Minister of Trade and Commerce (Mr. Low) when he spoke on behalf of the government, did the right and proper thing in telling this House, that he was quite willing to appoint a committee and wanted to appoint one. In my opinion, that is the only way to get at the bottom of this question. I have no doubt it is impossible for the government to lay all their cards on the table before this House, but when the committee is appointed they must certainly, and no doubt they will, give this House a great deal more information than they can at the present time. It is up to them to show, and no doubt they can show, that something must be done in order to protect the people of this country who ship goods, whether those goods are shipped from the far west or from any other part of Canada. The government is to be congratulated, I think, on the fact that in the very first speech which was made on this subject, that made by the Minister of Trade and Commerce, he told the House that he intended to have a committee appointed which would investigate this matter thoroughly. I presume he means in the interest, not only of the government and the people of this country, and of the proposition which he has brought down, but, as a matter of fair play, of the steamship companies.

There is no doubt that the people of Canada are very uneasy and feel that there is something wrong with regard to the matter of ocean freight rates, and it is right and proper, as I said a moment ago, that a full investigation must be had. For instance, we are told that shippers have complained to the department very bitterly about the discrimination. Take, for instance, the difference in rates between shipments from Hamburg, and the United Kingdom, to Bombay and Calcutta, and shipments from Antwerp and Hamburg to Canada. There must be something radically wrong when you can ship goods from Hamburg to Bombay and Calcutta at 25 shillings per ton, and a shipper sending goods from Antwerp to Canada has to pay the same price. It is also true that if you are shipping goods from the United Kingdom to Calcutta, they must pay a rate of 40 shillings per ton, and that if you are shipping goods from the United Kingdom to Canada, they must pay a rate of 45 shillings per ton.

Mr. BRISTOL: Does the rate not largely depend on whether they are getting a return cargo from the place to which they are going?

Mr. DUFF: I was coming to that. I want to be quite fair to the steamship companies. I intended to say, and I may as well say now, that there is no question that the reason the rate is higher from England or Europe to Canada than from England or Europe to the United States is the fact that these ships, on both voyages, whether going east or coming west, in plying between England or Europe and the United States, have full cargoes, and in plying between England or Europe and Canada, they have part cargoes or go in ballast.

Mr. BRISTOL: About twenty-five per cent sometimes.

Mr. HOEY: That is a good argument for encouraging the incoming cargo.

Mr. DUFF: I agree with that. For that reason I presume the hon. member for Springfield (Mr. Hoey) agrees with me that we ought to have lower tariffs on goods coming into this country.

Mr. IRVINE: Why do you not lower the tariff?

Mr. DUFF: The only reason that the tariff is not lower is that the hon. member for Springfield and I are only two members of this House. If we had the full power, I think we would lower the tariff.

The Imperial conference which met to discuss this important matter made a summary of their findings, and in order to approach this matter properly and get all the light on it we possibly can, it might be as well for me to place their findings on Hansard. This is what the Royal Commission on Shipping say in the conclusion of their report:

(1) The conference system with the deferred rebate—the natural evolution of a highly organized trade dealing with customers for the most part scattered or disorganized—has created on almost all the chief ocean routes a monopoly, the limitations upon which are in many cases illusory, and which generally tend to decline;

(2) The sytsem was introduced in the first instance with the object of raising rates or preventing their fall and diminishing competition;

(3) It has been successful in raising or keeping up rates;

(4) The public have, as a rule, to pay higher rates of freight than they would pay in an open market;

(5) The system has been injurious to "tramps," the strongest element in the British mercantile marine and it leads as to them to waste and to higher rates of freight;

(6) The system tends to waste in various other directions owing to the manner in which the rings are constituted;

(7) There is no satisfactory evidence that the saving in cost, if there be any, under the system of shipping rings exceeds the waste which is due to that system;

(8) The system tends to inflate the amount of tonnage and consequently the amount of capital invested upon which interest has to be paid;

(9) It has diminished or tends to diminish the ports of sailing;

(10) It gives a country such as the United States, in which the system is illegal, an advantage as compared with the United Kingdom;

(11) It has caused in the case of South Africa diversion of British trade;

(12) There is no evidence that it has appreciably increased regularity of sailing or greatly improved the quality of steamers; but it has tended to bring about equality and stability of rates.

A good deal of what is said in that report is correct, and I have often wondered why the steamship men themselves, after that report was made by such a prominent commission, did not take steps to show the public that there was not very much, if anything, in what the report set forth.

Mr. CALDWELL: What commission made that report?

Mr. DUFF: The British government—the Report of the Royal Commission on Shipping in 1909. I notice—and I say this not at all in a spirit of criticism—that the greatest criticism of this resolution so far has come from my friends of the official opposition. I notice also that the complaints which have come from people in this country have come from the friends of the official opposition, because if you will read the correspondence which has been tabled in the last few days, or if you go to the Department of Trade and Commerce, you will find that there are—shall I say—hundreds of letters there from prominent manufacturers from all parts of Canada complaining about excessive freight rates. It might be interesting, perhaps, to make a few comments—and I will be as short as I can—in order to show that the government has certainly done the right and proper thing in taking cognizance of all those complaints which have been made by prominent manufacturers and shipping men in this country, and that nobody should blame the government for endeavouring to find a way out to regulate and to make freight rates on the north Atlantic lines as reasonable as it is proper to make them. This is a letter from a prominent manufacturer:

At the present time, as you will see by the ocean bill of lading, we are paying 30 cents per cubic foot or $12 per ton of 40 cubic feet, on organs or pianos going to Liverpool. In 1910 we paid on similar instruments, six shillings and ninepence per ton of 40 cubic feet, which is practically $1.50 per ton of 40 cubic feet, as you will also see by the enclosed ocean bill of lading. . . .

In 1910 and 1911 and for many preceding years, we were shipping a carload of instruments to Liverpool every week. The car would contain eighteen instruments. To-day we nor anyone else ship a carload in a year, simply because the freight rates, added to the price that we must get for our instruments, brings them up to the price of what they can purchase a cheap piano for in England, of German or English make.

Now listen to this:

If I can be of any further service to you, do not hesitate to ask me, as I feel that the steamship companies, including the Canadian merchant marine, are only preventing trade coming to them by demanding such exorbitant freight rates, and I sometimes think that the Canadian merchant marine are the worst sinners of the lot.

For instance, we had a number of instruments going to the West Indies some weeks ago, and have also a shipment of five going this week, and we found that the Canadian merchant marine rates were much higher than what we were quoted from Pickford & Black of Halifax, so instead of sending the instruments to Montreal, we had to send them to Halifax and the amount saved on the ocean freight more than paid the difference on the inland freight between Montreal and Halifax.

When prominent business men complain so bitterly about the rates that are being charged, I think it is only proper that this government should endeavour to do something to regulate those rates and to provide cheaper carriage for shippers. I could cite a number of other instances but I do not think it is necessary.

I realize, of course, that the steamship companies cannot carry freight to-day at as low a rate as they could before the war, but that is no reason why in March, 1924, there should

have been an increase of some twenty-five per cent. It is said that the shipping rates are governed by the law of supply and demand. Be that as it may, everyone knows that at that time there was far more shipping available in the country than there were cargoes to be carried; so that I cannot possibly see why the conference should have raised the rates twenty-five per cent.

Mr. CHAPLIN: A moment ago the hon. member was quoting from a letter written by a shipper in which the statement was made that the rates quoted by the Canadian Government Merchant Marine were higher than those charged by Messrs. Pickford & Black. But the hon. gentleman also told us, of his own knowledge, that Pickford & Black and the Canadian merchant marine were "in cahoots" as regards rates and were quoting the same figures.

Mr. DUFF: I did not say that; I said the Canadian Government Merchant Marine and the Royal Mail Steam Packet Company. These goods to which reference is made in the letter I have quoted were shipped evidently from Montreal. The rates quoted by the Canadian Merchant Marine were charged on cargoes from Montreal direct to the West Indies, and the shipper could afford to pay the railway freight from Montreal to Halifax and ship from that port by one of the boats of Messrs. Pickford & Black and still save on the shipment; the rate all-told was so much lower than the rate quoted by the agent of the Canadian Government Merchant Marine in Montreal. The hon. member will see the point without my going any further.

Mr. LEWIS: As an experienced vessel owner, will the hon. member give us his opinion as to what effect the operation of the ten vessels now proposed will be as against the alleged combine?

Mr. DUFF: That is a large order.

Mr. LEWIS: I ask the hon. member that question because I know he is experienced in this regard.

Mr. DUFF: Well, the operation of ten ships may not have the desired effect, but at least it will show the people of the country that this government is anxious and determined to do what it can to break up this so-called combine, if it exists. They may not succeed, of course, for one reason and another which will appeal to my hon. friend. If I owned or controlled one of these great shipping lines I would try to get the rest of my friends to co-operate with me in an endeavour to drive the Petersen concern out of business altogether. There are a number of ways that might be adopted to frustrate the scheme. I say, however, that the government is justified in endeavouring to do something to bring down rates, if they are too high, and to show the people of the country that it is standing by them and will make every effort possible to reduce the cost of carriage on the Atlantic.

Mr. LEWIS: In case the committee comes to the conclusion that the rates are not too high under present circumstances, will the hon. gentleman still support this legislation?

Mr. DUFF: I want to hear the evidence first. But after reading through the evidence given before the agricultural committee two years ago I expect to see my hon. friend from Swift Current (Mr. Lewis) support the action of the government in this matter.

Mr. SUTHERLAND: The hon. member has referred to the desire of the government to do something practical in this matter. If he will look up the seventh report of the committee that sat two years ago he will find that they pointed out that owing to the wide range of subjects submitted to them they were not able to give this whole matter the consideration which it merited. They therefore recommended to the government that a similar committee should be appointed subsequently, which would have been last session. Why did not the government carry out the recommendations of that committee if they attached so much value to the evidence then taken?

Mr. DUFF: I cannot, of course, answer for the government, but it seems to me that even apart from the findings of that committee there is enough evidence on the files of the different departments, particularly of the Department of Trade and Commerce, to warrant the government in taking the step now proposed. I have not wearied the House by reading all the letters that could be submitted on this subject, but I could quote letter after letter from prominent manufacturers throughout the country in different lines of business, complaining bitterly that the rates are altogether too high. As I said before, however, I am not going to say whether the rates are too high or not; I believe in giving a square deal to the steamship companies. The steamship companies deserve a great deal of credit for the service they have put on not only on the north Atlantic but on every sea, and I am willing to wait until the proposed committee has met and taken evidence before I pass any judgment on the question of rates. Until that evidence has

been adduced, and until the committee reports to parliament, I am content to suspend final judgment in the matter.

Mr. SUTHERLAND: The hon. member no doubt realizes that he has not answered my question. Why did the government not take action last session to carry out the recommendation of the committee a year before, that a similar committee should be appointed the following session, that is, last year? Why did they not do something last year if conditions were so bad as to call for a remedy?

Mr. DUFF: I agree that to a certain extent it might have been possible for the government to take some quicker action. But there is this much to its credit, that this government is taking action now, which is something that the late government failed to do. The late government knew all about the situation. Sir Wilfrid Laurier had moved a resolution at the Imperial conference, prior to the defeat of his government in 1911, to have the whole matter investigated and he appointed a commissioner in the person of the Hon. Mr. Larkin. After the Laurier government was defeated Sir Robert Borden appointed another commissioner, and from that time on until 1921 the matter was under consideration but no action was taken either by the Conservative government, or by the Union government, or by the Liberal-Conservative government led by my good friend the leader of the opposition (Mr. Meighen). But this government is doing something; it is making an attempt to solve the problem. Whether the present proposal is all that could be done, or even whether it is the right thing to do, I am not quite sure. But the government should be given credit for its sincerity and its honesty of purpose in endeavouring to grapple with the situation which is complained of and which has been brought to its attention by the shippers of the country.

Mr. SUTHERLAND: I do not wish to interrupt my hon. friend, but why stress the importance of the evidence taken before this special committee when you ignore the recommendation in their final report that, owing to the impossibility of doing justice to the evidence, a similar committee should be appointed at the next session, which recommendation was absolutely ignored by the government. Yet the contradictory evidence submitted to that committee is being constantly referred to in the course of this debate.

Mr. DUFF: Mr. Speaker, I do not think I can say anything more to my hon. friend; I have endeavoured to cover his question.

[Mr. Duff.]

Mr. MEIGHEN: Before the hon. gentleman proceeds: Assuming I am right as to what he really thinks of the Petersen contract, judging from his speech, does he consider that this House is taking a right course in voting for anything at all providing it goes to a committee afterwards?

Mr. DUFF: I would refer my right hon. friend to something which happened in this House last year when a bill was introduced. I objected to the principle of it, I objected to the second reading; the bill went to a committee; the committee made some changes, but not so many as I think they would have made had they known what has since happened; that committee reported the bill to the House; and the House voted against the report of the committee which they themselves had appointed. Now, that may happen in this case, although I do not say it will or should.

Mr. MEIGHEN: The hon. gentleman did not believe in the bill he is referring to, and he opposed it. He does not think now that he was wrong, does he? And if he was right then, why does he not follow the same course now?

Mr. DUFF: Time has proven conclusively that I was right, and I am sure my right hon. friend feels in his heart that he was wrong in the way he registered his vote last session.

Mr. MEIGHEN: That is another question.

Mr. DUFF: With regard to this matter, I certainly do not want anybody to think or say that I am opposed to the contract. I think it is a step in the right direction.

Mr. MEIGHEN: I think you are.

Mr. DUFF: Again, time will tell.

Mr. IRVINE: I understood the hon. member to say in reply to a question that he did not anticipate that the ten ships proposed to be built would have any effect upon the combine. Does he not think that the million and a quarter of the people's money to be spent by the government to prove its good intentions is a little too much money to spend on such propaganda?

Mr. DUFF: I did not say what the hon. gentleman says I did say.

Mr. IRVINE: That is correct.

Mr. DUFF: Not at all. I said that although we may differ with regard to the remedy proposed, we certainly should give the government credit for attempting to cope with this grave situation. I think that in the opinion of people who are vitally interested

on the other side of the question this contract is going to do some good. We hear that opinion expressed every day as we walk around this city. They evidently think that the Petersen contract is going to be of some effect. While this particular agreement calls for the construction of only ten ships so far as Petersen and his company are concerned, there is no reason why the government should not enter into a contract with other companies, if they deem it necessary, in order to regulate these rates more effectively—for instance, with the Canadian Pacific company. It seems to me that this company should be in the arrangement, because after all is said and done, whether they have been guilty of charging excessive rates to the people of this country or not, they are a business organization, and so long as the people and the government of Canada stood for it, I do not blame the Canadian Pacific Steamship Company for getting as high ocean rates as they could get. But, as I have just said, I feel that this great organization should come in and help straighten out the matter, and that therefore if necessary the government should make a contract with the company to use their ships for the purpose of breaking the alleged combine.

Mr. IRVINE: Does that imply that the government should issue another million and a quarter dollars annually for ten years to the Canadian Pacific Steamship Company or to any other company that might engage in this bold effort to break the combine? Does the hon. gentleman not think that in that event it is not likely we would receive in reduced ocean rates sufficient to pay the taxes required to provide the subsidies?

Mr. DUFF: I am surprised to hear my hon. friend speak in that way, because I thought that he came especially to this House to lead us out of the wilderness not only with respect to high freight rates but also in regard to the high cost of living. I am surprised, I say, that he throws cold water on this simple proposition of the government to bring down the cost of living and so enable the people of this country to benefit. Whether the arrangement will work out satisfactorily or not, I am not prepared to say; it is a big question; but I do say that the government should be given an opportunity to put all the information it has before the committee and before the House so we may deal with it intelligently. I am convinced from what other speakers have said that the government has a good deal of information in its possession to prove conclusively that high ocean rates have been charged, and that the government believes that in this contract, it has an effective way of reducing those rates on the north Atlantic.

Mr. IRVINE: Where is this information? That is what we want.

Mr. DUFF: As I said a moment ago, I presume the information will be given by the government when this special committee meets, and I think it will be the duty of the government to have someone present to give the committee all the information which it has on the subject.

Mr. IRVINE: Why not give it now?

Mr. DUFF: I have been giving some this afternoon; I do not know whether my hon. friend heard me. I can give him some further information, but I do not want to weary the House with too many quotations. Let me give him some information from his own province. I presume my hon. friend is interested in the cattle industry of southern Alberta, the province from which he comes. This is what the Lethbridge Board of Trade said a short time ago about the ocean freight rates on cattle:

> Whereas the ocean freight rates on cattle from the Atlantic seaboard to the United Kingdom are at present excessive in the extreme, being practically prohibitive of the success of building up an export trade in cattle from the province of Alberta to the United Kingdom.
>
> And whereas it is the considered opinion of those qualified to judge that cattle can be profitably carried across the Atlantic at rates much below those now in force.
>
> And whereas the production of cattle is an important industry in southern Alberta, and the growers desire to export cattle to the United Kingdom.
>
> Therefore be it resolved that the government of Canada be urged to take such steps as may be necessary to have Atlantic rates on cattle reduced to a point where cattle from Alberta can be profitably exported to the United Kingdom.

Mr. BRISTOL: Will the hon. member permit another question? I understand that grain rates are not controlled by the combine—if you want to call it a combine; that is, you have the greatest competition in the world between the tramp steamers on the one side and the liners on the other fighting to get all the grain they can. In view of this competition, how is the western farmer going to be helped on grain?

Mr. DUFF: I think I said earlier in my remarks that I did not agree with everything we have heard with regard to there being a combine, that I did not agree the rates were too high in some cases. All I said was that there was such an agitation all over the country by manufacturers, farmers, lumbermen and

others with regard to excessive ocean freight rates that it seemed to me the proper thing for the government to do under the circumstances was to endeavour to settle this question in the way they propose to settle it, that is, by appointing a committee to bring out all the evidence bearing on the question and giving the steamship companies, the manufacturers, and all other parties concerned the fullest scope to lay their arguments and evidence before the committee, which could then decide whether there is justification of the allegation that to-day excessive ocean freight rates are being charged by the north Atlantic shipping conference lines.

Mr. BRISTOL: Where you have tramp steamers on the one hand and liners on the other competing for grain, how do you hope to lower the price by any other method?

Mr. DUFF: Here is a letter from the Dominion Millers' Association written on January 15, 1921, addressed to the present right hon. leader of the opposition.

Mr. BRISTOL: That is with respect to flour. I am dealing simply with grain, which is the biggest thing grown in the west to-day, and in the rates on grain you have the greatest competition in the world.

Mr. DUFF: It is quite true there may be open prices on grain, but my hon. friend must realize that there is a conference—I will not call it a combine; but there are meetings of the different steamship interests, not every day perhaps, but every week or whenever any important matter comes up—and while cattle and grain rates may not come under this conference, you cannot tell me that these people, meeting and discussing the rates they shall charge on other commodities, do not agree among themselves what they shall charge on grain and cattle.

Mr. BRISTOL: They have to meet the tramp situation from day to day. Sometimes in Montreal there are a large number of tramps, and the price goes down. Sometimes the liner wants to fill up space, and she will take grain for that purpose; but that is a distress cargo; it is totally different. Wheat is the great basic commodity, and there you have the greatest competition in the world, and you cannot get away from it.

Mr. DUFF: But if it were not for the tramps, the rates would probably be very much higher than they are.

Mr. BRISTOL: They might be, but you must remember the tramp is the greatest thing in the world to bring rates down.

[Mr. Duff.]

Mr. MORRISON: Does my hon. friend know that the tramps charged more for carrying wheat from this side to Liverpool during the last year than the liners?

Mr. DEPUTY SPEAKER: Order. The hon. member for Lunenburg (Mr. Duff) has the floor.

Mr. DUFF: I do not object, Mr. Speaker, to questions.

Mr. IRVINE: I understood the hon. member was giving information for my special benefit just now, and I would like to say that is not what I need. I am quite willing to admit that freight rates are high, although I do not know that they are. The information that I want is this: Does this proposal which the government has advanced guarantee to us any hope that the rates will be reduced? That is the kind of evidence I want, and my hon. friend has not given me any reason why I should vote for the government's proposal in the hope that it will reduce rates.

Mr. DUFF: Then I presume my hon. friend wishes to leave the rates as they are, and not try to do anything.

Mr. IRVINE: Do not presume that. I will tell you what I wish later. What I am asking for is some evidence that this proposal will bring down the rates.

Mr. DUFF: In my opinion the government deserves credit—

Mr. IRVINE: I am not worrying about credit, but about the reduction of freight rates.

Mr. DUFF: You are not worrying about them as much as the manufacturers and others whom I have quoted are worrying. You evidently do not want to do anything. You say you do not know whether this proposal is going to do anything or not. Now in everything in the world, whatever the enterprise may be, people go into it without knowing definitely what the result is going to be, but they go into it with the hope and expectation that better conditions will result, and I feel as other people feel, and as the government must have felt, that even an attempt in this small way is going to bring good results. I believe that it will bring good results, and the steamship companies to-day are worrying more about this thing than my hon. friend from East Calgary (Mr. Irvine).

Mr. IRVINE: Does the hon. member not admit that a little common sense would perhaps be of as much value in a proposal of this kind as mere hope?

Mr. DUFF: I do not know just what my hon. friend means by that. If he is comparing his common sense and mine, I am willing to admit he has more than I have.

Mr. IRVINE: I was not making any such comparison. I asked my hon. friend for a reason for the hope he has expressed that this proposal will bring rates down. That is what I referred to as common sense. If you can give me a commonsense reason for this hope, I might be inclined to hope with you.

Mr. DUFF: Perhaps my hon. friend was not listening to the question asked me by an hon. member sitting at the other end of the House with regard to the rates on grain. The argument was that there was no conference rate on grain, that grain rates depended on the number of tramp steamers coming into port at different times and looking for a cargo. If it is true,—and it is—that the more tonnage there is available, the lower the rates are going to be, when the government brings down this proposal, whether it is for ten or twenty or more ships, if they set the rate at which these ships shall carry freight, that certainly is going to have an influence in reducing the rates, because it brings in just that much additional competition for the traffic. I think that is a sufficient reason why my hon. friend and every other member of this House should support this proposal, provided the government can give us sufficient information to warrant us proceeding with it.

Mr. MEIGHEN: The hon. member made reference a moment ago to a complaint filed with the late government in 1921 from the Dominion Millers' Association, and made the statement that the government did nothing.

Mr. DUFF: I did not get as far as that.

Mr. MEIGHEN: He made it some time before. I know he will be glad to get the information that, on the contrary, the government called a conference in relation to that complaint, which had to do with the differentiation against flour as compared with wheat, and as a result of the conference, when all got together, the large shippers of wheat admitted there was not any unjust discrimination, and consequently no step was necessary.

Mr. DUFF: I do not know exactly where I left off, Mr. Speaker, but I will try and proceed. I think I was saying to my hon. friend from East Calgary (Mr. Irvine) that the people of Alberta certainly think they have a grievance with regard to freight rates on cattle. I can only repeat that if that is so, it seems to me that everybody in this House should endeavour to support the government in the proposals which they are making, and should be willing at least to allow those proposals to go to a committee, which the hon. Minister of Trade and Commerce (Mr. Low) has told us he is willing to appoint so that the House can be apprised of both sides of this important question. There is no doubt that the question of ocean freight rates is a very important question to the people of this country, and especially in view of the fact that the country to the south of us has in the Fordney tariff put up a very high tariff wall. And I should just like to say here that the greatest mistake this country made with regard to the cattle business, and business generally, was in 1911 when it turned down reciprocity with the United States. If that agreement had been carried through, we would not perhaps be compelled now to ship all our cattle and wheat and other commodities to Great Britain and the continent of Europe. But we are faced with that condition, and it seems to me that as long as that condition continues, we should do what we can to remedy the situation. I think that the government is justified in doing everything possible to preserve our present markets and to increase future business, and this is one way by which the government can perhaps get rates reduced, so that our traffic will flow east and west, instead of north and south. It seems to me, therefore, that every encouragement should be given the government in this matter.

It has been held by some people that instead of making this contract with Sir William Petersen, we should use the ships of the Canadian Government Merchant Marine. Now if I have one complaint to make in regard to this contract, it is that perhaps the ships will not be fast enough. In my humble opinion, instead of being 11-knot, they should be 13- or 15-knot boats. Because in the winter time from November to March coming west over the Atlantic ocean, there is no question about it, a small low-speed boat cannot make regular trips. For that reason I say when anybody argues that the ships of the Canadian Government Merchant Marine could take the place of even those ships which are proposed under this contract there is absolutely no ground for making such an argument. Those ships are slow, they are not fitted for this purpose.

Mr. MEIGHEN: They are faster than these ships.

Mr. DUFF: No, they average about nine knots.

Mr. MEIGHEN: In actual operation nine to ten knots but the test speed, as compared with this, is higher.

Mr. DUFF: I shall not argue with my right hon. friend, I think we both threshed that question out before as regards the Canadian Government Merchant Marine ships.

Mr. MEIGHEN: Yes, but not the comparison.

Mr. DUFF: The fact remains that these ships of eleven knots, even would be faster.

Mr. MEIGHEN: That is the test speed.

Mr. DUFF: You will find that with the Diesel engines with which these ships will be equipped, they will be able to make their eleven knots at any time except, of course, in a very heavy gale of wind. The Canadian Government Merchant Marine ships are of very different construction and, with the engines they have, in very rough weather cannot make more than five knots actual speed. In mild weather, when the sea is smooth and calm, they could make, perhaps, nine knots. Nevertheless these ships of the Canadian Government Merchant Marine every year are getting slower and slower, with the result that if the government retains them much longer they will some day go on a voyage and never come back.

Mr. MEIGHEN: You are prejudiced on that subject.

Mr. DUFF: Let me say this also. There is no question but there is discrimination between American and Canadian ports; and sometimes in the Maritime provinces you hear a great hullabaloo, about the government operating a line of railway between Montreal and Portland, and our goods being shipped from the latter port to the Old Country instead of going through Canadian ports. Let me say that if this agreement does nothing else it will have the effect of bringing more goods to Canadian ports and having more ships come to those ports.

Mr. LADNER: Would the hon. gentleman point out in the agreement where there is any restriction against these boats calling at American ports as provided in the old agreement of 1897?

Mr. DUFF: Well, I do not remember if the agreement says these ships must sail from Canadian ports, but I certainly do say that no government would be fit for their position, and no Minister of Trade and Commerce would be fit for his if they or he entered into such a contract as this and allowed, as the old government did and as this government does vessels of the Canadian Government Merchant Marine to load in Portland and other American ports.

[Mr. Meighen.]

Mr. LADNER: Quite right, but the hon. gentleman will find that there is no control of that feature under this agreement.

Mr. LAPOINTE: Yes, paragraph (a) of clause 1.

Mr. DUFF: Perhaps if I quote the paragraph it will satisfy my hon. friend:

> Build, equip, provide, establish and during this contract, continue and in the manner hereinafter mentioned, operate a regular shipping service between such ports in Great Britain or Ireland or the continent of Europe, and Canadian ports as may be designated by the Minister of Trade and Commerce for Canada or his representatives from time to time.

Mr. LADNER: Does the hon. gentleman suggest that having provided such a service the boats cannot call at foreign ports?

Mr. DUFF: I would certainly say in the first place that if there is not sufficient business for them in Canadian ports then it is a bad look-out for Canada. In the second place, as I said a moment ago, the government should not enter into a contract permitting these vessels to call at foreign ports as the vessels of the Canadian Government Merchant Marine now do. As I have already stated, one reason why I think we should support this contract is—that all the freight on these boats, either going east or coming west will be shipped from or arrive at Canadian ports instead of that freight going from or to Portland, New London, and other American ports. This arrangement will have a very direct effect upon the routing of that traffic. The British preference, which this government introduced, has had a certain effect; but under the present arrangement with the vessels coming and going through Canadian ports the cry should be stopped that the government are not doing anything to divert traffic from Portland to St. John, Halifax, and other Canadian ports.

Mr. MEIGHEN: Will the hon. gentleman follow that through just a moment? The ships of the Canadian Government Merchant Marine at present are not confined to Canadian ports but call at other ports. Now, what my hon. friend (Mr. Ladner) was pointing out is that this contract in no way prevents the Petersen boats from doing the same thing or empowers the government to prevent it.

Mr. DUFF: The difference between these boats and the Canadian Government Merchant Marine boats, as I understand it, is this—that these boats are going to make direct trips to Montreal or other Canadian ports.

Mr. MEIGHEN: The contract does not say so.

Mr. DUFF: It provides that the service shall be between ports in Great Britain or Ireland or the continent of Europe and Canadian ports.

Mr. MEIGHEN: Yes.

Mr. DUFF: But the contract does not say that they are to leave Montreal and go to Portland or New York, and then cross to Queenstown, Ireland, and then go into Liverpool and Antwerp.

Mr. MEIGHEN: But there is nothing to enable the government to prevent them from doing that very thing.

Mr. DUFF: We can provide for that, of course, in committee, if it is thought necessary.

Mr. MEIGHEN: I see.

Mr. DUFF: That is one of the things we might do. I do not believe the government would object to making that change.

Mr. GARLAND (Bow River): Did not the Prime Minister intimate the other day that changes could not be made until after there had been a conference with Sir William Petersen? Therefore the committee can hardly make any such change.

Mr. DUFF: Even if such a conference as that is necessary the matter can be arranged and Sir William Petersen, I am convinced, will agree to it. As it is the contract is very explicit in its terms, that is that these ships must sail from Canadian ports direct to ports either in Great Britain or Europe.

Mr. LAPOINTE: With all despatch.

Mr. DUFF: Yes, with all despatch—which means direct. However, that need not worry us at all. The point I was trying to make is this: The reason why we should support this contract, if for no other reason, is that under this arrangement these ships will have to go from Canadian ports to Great Britain and Europe. That is why the contract should be supported especially by members from the Maritime provinces who are talking all the time about Portland being used by shippers of grain from the west and shippers of other goods from Ontario and Quebec. That is the reason why we in the Maritime provinces, at least, and I think western men too, should vote for the agreement—because it is going to divert the trade which now goes to Portland to Canadian ports.

A question came up a few minutes ago with regard to the matter of wheat, and perhaps on this subject I may be allowed to make a quotation from the report of the Royal Grain Inquiry Commission. I might preface the quotation by the observation that the rates on wheat vary very much. At any rate here is what the commission said—page 206:

> It is evident that Canadian seaports must have a margin of three cents per bushel, or perhaps more, in their favour in the inland rate to the seabord, if they are to get this shipping business, or any considerable share of it, under the present conditions.
>
> Notwithstanding the fact that New York is 500 miles further from Liverpool than Quebec is, ocean rates of freight from New York to Europe are considerably cheaper than from the St. Lawrence.
>
> For instance, in October 1923—October is the busy month for Canadian grain shipments—the ocean rate from New York to Liverpool was two-thirds or 6⅔ cents per bushel, whilst the rate from Montreal was three shillings per quarter or 9 cents per bushel, a difference in favour of New York of 2⅓ cents per bushel. Authorities most familiar with the trade state that the spread in ocean rates, as between Montreal and New York, averages one shilling per quarter of 480 pounds to United Kingdom ports, which is equal to three cents per bushel in favour of New York.

Now, Sir, although the grain rates do not figure in this conference or combine there is no question but that this reveals discrimination, and it is the duty of this government and this parliament to see if the condition complained of cannot be remedied.

I notice in the statement which has been issued by the shipping companies that they object to the subsidy used in this agreement with Sir William Petersen. Perhaps if any other way could be found out of this difficulty—as the hon. member (Mr. Irvine) said a minute ago—it would be wise for this country to endeavour to take advantage of it and not pay this subsidy. But the question is so serious that it seems to me that if a subsidy is necessary nobody should object to this subsidy being paid. The steamship companies who, in their pamphlet, are objecting to the payment of this subsidy, should be the last people in the world to say that no subsidies should be paid. I do not know exactly what subsidies have been paid to steamship companies in the last few years, to the Canadian Pacific Railway steamships and other lines. No doubt the Minister of Trade and Commerce (Mr. Low) can obtain the information from his officials and tell us how much money in subsidies has been paid to the White Star-Dominion line, to the Cunard line, to the Royal Mail Steam Packet Company, to the Donaldson line, to the Manchester line, to the Allan Steamship Companies and to the Furness Withy Company. I am not objecting to the steamship companies receiving the subsidies, but I say it does not lie in the mouths of these companies to object to this government arranging to pay Sir William Petersen a subsidy for ten ships,

when these same companies have been receiving, and are receiving to-day, large amounts in subsidies, something like thirteen million dollars if I remember correctly. They should be the last ones to come in and make a complaint when this government is paying a subsidy to Sir William Petersen or to certain contractors.

Mr. LADNER: Would it not be fair if the hon. gentleman would point out to the House that these subsidies which have been paid are in relation to mail contracts and not in regard to freight? That has been the policy of the British government for years.

Mr. DUFF: My hon. friend knows that whilst that might be quite true, the fact remains that they have always complained that if they did not get the subsidies they could not do the business or keep the boats on the routes. We have heard from the present Minister of Trade and Commerce, and from the late Minister of Trade and Commerce when the Conservatives were in power, that these steamship companies complained if they did not get the subsidies. We who have read the history of the country know very well that subsidies have been paid for a number of years. For instance, take the great question of the Crowsnest pass railway, in which our friends from the west are so much interested. They desire to get the benefits of the Crowsnest pass agreement with the Canadian Pacific Railway Company, and rightly so. They say that a previous government gave to the Canadian Pacific Railway certain concessions for fixing a rate on the Crowsnest pass railway; and in view of the fact that the previous government gave these concessions to the western men, these men felt quite justified, and rightly so, in asking that the contract should be carried out by the Canadian Pacific Railway. My hon. friend says that some of the subsidies have been given to the railway for carrying mail, yet we know how much money has been paid to the railways in the country, the Canadian Northern and the Canadian Pacific, to build lines; and if we can vote subsidies to build railways, and grant millions of acres of land for the same purpose —which is another form of subsidy—why can we not under this agreement, if the government feel it is necessary, give Sir William Petersen a bonus for putting in operation a line of steamships, when, in consideration of this subsidy, it is understood that this line of steamers must carry the products of this country at a cheaper rate than they would if they were receiving no bonus? If that line of steamers were to receive a subsidy of $1,300,000 per year, and charge the same rates as the conference is now charging, my hon. friend would be quite right in objecting, but the subsidy is being paid to the company with the distinct understanding that the government has power to fix rates on all commodities, and these rates must certainly be lower than the present rates or the rates fixed by the different steamship companies.

Mr. LEWIS: The hon. member stated that our own steamers have already received subsidies for the mail service. In this case did the government approach our own Canadian companies, rather than go outside to Sir William Petersen, to make a contract with them?

Mr. DUFF: I am sorry the hon. gentleman is putting me in the position of a minister of the crown. I cannot answer. I do not know. I presume they did. But whether they did or not does not change the fact. I think it was the Minister of Trade and Commerce, or the Prime Minister, who said there was no reason why they could not make a similar agreement with the Canadian Pacific steamship line or some other line. If hon. members will look at clause 1, subsection (f) of the agreement they will see that under this contract this line of steamers must carry immigrants from Great Britain or the continent of Europe at rates to be fixed by the government, and carry all Canadian mails free. So that this line of steamers will carry mails as the other lines which receive subsidies are doing.

Mr. LADNER: Will the hon. member read further? The clause says:

> If and when the parties hereto agree upon the establishment of a passenger service—

That may be when the boats are worn out.

Mr. DUFF: It may be when the boats are worn out, it may be to-day or tomorrow, or it may be forever. However, that does not change the fact that the government can compel them to carry mails.

Mr. LADNER: Does the hon. member really think they are going to put on a passenger service? Or is it not merely a question of dealing with the freight combine?

Mr. DUFF: It is primarily done to get lower freight rates, there is no question about that. But there is no reason why a passenger service could not be carried on in conjunction with the freight service, and yet the rates be lower than they are at the present time. I do not know what kind of boats the other ten or twenty or fifty may be. They may be all passenger boats, but this government

under the contract can make any arrangement with the contractor to put on other freight boats or passenger boats or boats to carry mail.

Mr. MEIGHEN: But the contractor has to agree to the new terms. The terms may call for a large amount of money, and he does not need to agree if he does not want to.

Mr. DUFF: I cannot answer all these questions. I am not in the confidence of Sir William Petersen or the Minister of Trade and Commerce. I am taking the contract as I read it, and in view of all the questions that have been asked, and all that has been said in regard to the contract, it seems to me that the only right and proper thing to do in order to get sufficient and proper information is to allow this resolution to go to a special committee, let this special committee summon witnesses, examine Sir William Petersen, summon the government officials and summon men from the steamship lines. In that way the committee will be able to decide whether the government is justified in asking parliament to ratify this contract or not.

Mr. LADNER: Does the hon. member not think that should have been done before the contract was made and the government committed to this matter?

Mr. MEIGHEN: Hear, hear.

Mr. DUFF: I am afraid I cannot follow the hon. gentleman. The government must have a policy. They do not come into parliament and wait for a committee to investigate the matter before they bring down a policy.

Mr. LADNER: They have done it before in regard to freight rates.

Mr. DUFF: When?

Mr. LADNER: In 1922, in connection with the Crowsnest pass agreement. When the committee reported then they adopted the policy.

Mr. DUFF: Then they have received sufficient information from this agricultural committee and this is the policy which they think is right and proper.

Mr. LADNER: I am not trying to argue with the hon. member. I am impressed with the soundness of his argument and his information; and in view of his suggestion that the matter should go to a committee, where the information could be obtained, and submitted to parliament, I am merely asking his opinion, which would be of value to me and other members, as to whether he does not think it would be wiser that the committee should inquire and obtain the information before the government commits itself to the agreement.

Mr. DUFF: I do not think so. I have read letters from prominent manufacturers, and I showed that it was not a new thing. The government of Sir Wilfrid Laurier dealt with it in 1911. The government of Sir Robert Borden started to deal with it, but for some reason, perhaps because of the war, they did not get around to it. This question has been before the people of this country for many years. No less a personage than the hon. member for West York (Sir Henry Drayton) was sent to London to make an investigation. He made a splendid investigation, and he came to the conclusion that something was wrong that needed to be rectified. But because of the war and for other reasons, nothing was done by the government of either Sir Wilfrid Laurier or Sir Robert Borden. This government, however, which is a courageous government, has investigated the matter, and after hearing the evidence placed before the agricultural committee, it has laid this proposition before the House. It seems to me that we should certainly be willing to pass this resolution and let it go to the committee. After the committee investigates the matter and reports to parliament, and after we have an opportunity of reading all the evidence, if we are not satisfied, then it is time enough for us to object to any of the clauses in the agreement or in the bill based upon it. The steamship companies have nothing to fear from this government, and I do not think it is wise for them, in their pamphlet, to refer to the fact that, as I said a moment ago, this subsidy was granted. They are taking a rather peculiar attitude, which reminds me of the ditty which says:

> The devil was sick, the devil a monk would be;
> The devil was well, the devil a monk was he.

That seems to be the way the steamship companies are looking at this proposition. When they and the railway companies could get subsidies, that was all right; but when this government in order to reduce freight rates wishes to give another company a subsidy, they object to the subsidy being paid. I think, under all the circumstances, this government is perfectly justified, in order to get the rates reduced if they are excessive, to give a subsidy to this steamship company, especially in view of the fact that the government has full power to reduce rates.

The hon. member for Burrard (Mr. Clark) has moved the following amendment:

That Mr. Speaker do not now leave the chair but that it be resolved: That effective control of ocean rates can be exercised only with the co-operation of all portions of the empire, and by a body on which all are represented, and the contract made by the government with Sir William Petersen, based on the report of W. T. R. Preston is ill-advised, costly and futile and unworthy of the serious consideration of this House.

The hon. member, on a very grave and serious question of this House, was certainly ill-advised in introducing such an amendment, when the principal thing he said in his amendment was that this contract was based on a report by W. T. R. Preston, and was ill-advised, costly and futile and unworthy of the serious consideration of this House. That, to my mind, should make every member of this House vote against that amendment. The fact remains that this resolution is not based on Mr. Preston's report at all. This agreement was entered into on the 11th day of December, 1924, whereas Mr. Preston's report was mailed in London, England, only on December 31, 1924. How could the government make an agreement with Sir William Petersen based on the Preston report, as the hon. member states in his amendment, if Mr. Preston's report left London twenty days after the agreement was entered into?

Mr. LEWIS: Does that not nullify the report altogether, if the agreement was made before the report was received?

Mr. DUFF: The agreement is not based on the report. The report is a sort of annex to what the government already knew. It only confirms the fact that there are excessive freight rates, because as I said first in my speech, and as I repeat now for the seventeenth time, the agreement is not based on the Preston report. Prominent manufacturers have written reams of letters to the department complaining about these freight rates, and I presume the action of the government was based on this accumulation of evidence which came in from all parts of the country, and not on Mr. Preston's report.

Mr. MEIGHEN: I read in the preamble:

And whereas the government of Canada after an investigation of the representations brought to its knowledge and after giving the same serious consideration has thought it wise—

And so on. What does that investigation refer to?

Mr. DUFF: I am sorry I cannot use sufficient language to make either the right hon. gentleman or some other hon. members understand what I mean. Let me see if I can put it in other language. What I said was that this legislation was not based on the Preston report: that year after year complaints had been coming into the Liberal government of 1911, the Conservative government of 1911 to 1917, and my right hon. friend, when he was Prime Minister, that these freight rates were too high and that there was discrimination in certain respects. Therefore, the government had sufficient evidence to warrant them in making this agreement with Sir William Petersen or anybody else without waiting for the Preston report, whereas the hon. member for Burrard claims that the agreement is based on that report. I do not think this parliament should accept the amendment of the hon. member for Burrard, first, because there is no necessity to drag Mr. Preston into the matter at all. If the hon. member cannot give a better reason why this House should vote for his amendment and vote against the resolution, then he would have been far better advised if he had not moved it. He also states in his amendment:

That effective control of ocean rates can be exercised only with the co-operation of all portions of the empire and by a body on which all are represented.

That means that the hon. member for Burrard wishes us not to deal with the situation now, not to try to find a remedy in 1925, or 1926, or even 1927, because the experience of previous governments who appointed Sir George Foster and Sir Henry Drayton to look into this matter and who appointed Sir George Foster as a member of the Imperial commission, has been that it took five years for them to make a report. How could my hon. friend expect, if his amendment is adopted and an Imperial conference is called, that anything is going to be done for the Canadian people in the next two or three or, perhaps, five years? This is a matter for Canada; it is a matter for the Canadian parliament to deal with, and there is no reason why we should not make the first step in this direction, why we should not ourselves go ahead and fix these rates without consulting any other part of the empire. There is no reasonable probability of such a conference being arranged to meet in London or elsewhere within one or two years. There is no reasonable probability, should such a conference ever be held, of members of the conference arriving at any satisfactory conclusion respecting Canadian interests. We must not forget that a great deal of the capital invested in these steamship companies is British capital and that an Imperial conference is certainly not going to give to Canada anything other than it is compelled to.

Mr. MEIGHEN: Why was the matter not taken up at the Economic conference?

Mr. DUFF: I really do not know. Further, South Africa, Australia and New Zealand could not possibly be expected to understand Canadian conditions so as to arrive at any conclusion that would be satisfactory to this country. The history of the Imperial conference and Imperial Colonial conference is that years elapsed before any reasonable conclusions were arrived at. The Colonial conference of 1911 suggesting the appointment of an Imperial Dominions Royal Commission reported in 1917, or six years after they first met. The conclusions of this conference of 1911 which reported in 1917 have not been acted upon prior to this date. Does that answer my right hon. friend's question why the Imperial Economic conference cannot deal with this matter? The English people are great people, but they are pretty slow in some matters, and we Canadians, who are swift, do not want to wait until the British government reports on this matter. With these facts staring one in the face, the futility of suggesting that the present question should be referred to another commission of this character is obvious, and the suggestion too ridiculous to be entertained for a moment. I therefore think that parliament should unhesitatingly reject the amendment that has been submitted by the hon. member for Burrard (Mr. Clark). Rather, let those hon. gentlemen who may be appointed to act on the proposed committee get together and consider all the facts from every possible angle; let them take all the evidence which they deem necessary, either from government officials or from representatives of the steamship companies, so that they may be able to come to a sound and a fair conclusion. We want to give everyone a square deal, and if the committee should find that rates cannot equitably be reduced on any commodity, whether it be wheat or cattle or anything else, then let them report to parliament accordingly. I do say, however, that it is time the air was cleared. In the interests not only of the companies concerned but of the common people of the country as well it is highly essential that there should be a show down, and I trust that the committee after proper investigation will report to parliament something which will be satisfactory to the people of Canada at large, whether they be shippers, producers, or the plain folk in the ordinary walks of life.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, at six o'clock the hon. member for Lunenburg (Mr. Duff) who is a practical man in the shipping business, had concluded his well-reasoned address, in which he told us that the objections to the Petersen contract came from the friends of the official opposition. But it is significant that these objections come from the rank and file of the people, demonstrating their endorsation of the attitude of the official opposition towards the proposal of the government. For instance, I have before me a communication from the Vancouver Board of Trade, one of the largest organizations of commercial and business men on the Pacific coast, containing some 2,000 members and representative of all the business interests of Vancouver—yes, and of inland districts of the province. This is in the form of a letter to the Prime Minister, the Right Hon. W. L. Mackenzie King, and after pointing out that the council of the board had met, it proceeds:

> Having had an opportunity of perusing the report of Mr. W. T. R. Preston regarding the North Atlantic Steamship Combine, and having studied the proposed agreement contained in the Routine Proceedings and Orders of the Day for Monday, February 23, the council unanimously resolve, that this board again express to you the strongest opposition to the granting of this subsidy on the ground that it is not in the public interest and will not be effective in reducing freight rates.

There is the opinion of a body of business men who know what will conduce to the best interests of the country generally. In today's papers I notice that the Montreal Board of Trade and the Montreal Corn Exchange have taken a similar stand. I also have a telegram from a body of men who probably are better acquainted with the shipping business than even the members of the Vancouver Board of Trade; I refer to the Vancouver Merchants' Exchange. They have addressed a telegram to Hon. T. A. Low, Minister of Trade and Commerce, which reads as follows:

> The Vancouver Merchants' Exchange, representative of the shipping and exporting interests of this port, is of opinion that there exists no need for the reported subsidy to shipping or any interference with the operation of the regular economic laws in this regard, but that if it be deemed advisable by reason of conditions of which we are unaware to take such action, opportunity should be first given a full examination and discussion of the matter as affecting the entire export trade of Canada. It is further requested that no action be taken by the government until such opportunity has been afforded.

The hon. member for Lunenburg (Mr. Duff) urged as the chief point in his address that the government should be commended for taking some steps with respect to the alleged combine; but he adds the qualification, that they should first, through a special committee, find out if such a combine exists; and, if so, the way in which it adversely affects the interests of Canada; and thereupon the special committee should recommend to this House ways and means of meeting the situation in the interests of the people generally. It seems to me that the government has got the cart before the horse. Having received this report from Mr. Preston, they at once proceeded to conclude a contract with Sir William Petersen.

As to the report, I think hon. members looking at it dispassionately will declare it to be full of political prejudice and intended for party propaganda. It contains statements of fact, but interwoven with these statements are subtle implications reflecting upon what he deems to be the failure of preceding governments to take obvious steps to remedy the condition of affairs which he assumes to be long standing. Here is a paragraph which I find on page 7 of the Preston report:

> Following the defeat of the Laurier government, however, Mr. Larkin was replaced by Sir George E. Foster, the latter being nominated by the new Prime Minister, Sir Robert Borden. It was expected that the report would be produced by this Imperial commission within two or three years, but five years elapsed before it was available.

Now the implication, of course, which is here is that the Conservatives, having assumed office and being in league with the big interests, allowed this matter to stand in order that it should be rendered fruitless; and reading the report from one end to the other I say it is a fair statement to make that there are political insinuations and propaganda for elections sticking out of it in every line; it is not a report founded on the real merits of this question. If the government had been sincere in trying to arrive at the real unadulterated truth and facts of this question so far as the north Atlantic conference is concerned, they would have done as the hon. member for Lunenburg (Mr. Duff) suggested they should have done—they would have had either a commission or some semi-judicial body sitting in an unprejudiced manner to hear the merits and demerits of all sides of the case; they would have had witnesses from the north Atlantic conference come there, representatives of the steamship companies and of public bodies such as boards of trade and railway corporations—in fact everybody interested in this matter—they would have submitted the facts and the evidence to this body or commission and then this parliamentary committee, as is now suggested, would make a report to the House of the facts with their recommendations.

Mr. ARTHURS: Is the hon. gentleman aware whether the government made a contract with Sir William Petersen before or after the Preston report?

Mr. LADNER: I think the facts disclosed show very clearly that the contract with Sir William Petersen was made about the time of the Preston report or before it. At any rate the report was based largely upon the information which, perhaps, the government had received in an unofficial manner from Mr. Preston, and from other sources in a general way. But my point is this: That the parties who are really interested, and who have been carrying on the transportation business on the Atlantic ocean for many years, and who would be adversely affected by the proposed legislation, have not, according to their own declaration, been allowed to submit the facts as they see them, or to suggest what they would propose to do as a solution of the problem; and in my humble opinion the government in levelling this popgun of a combine breaker is doing so largely for political purposes prior to an election; it is not pursuing a wise course and it is not sincere.

Mr. LOW: The "popgun" appears to be creating quite a stir.

Mr. LADNER: No, what is causing the stir is the amount of money that will be required to shoot the popgun off. Mr. Preston in his report states that his investigation extended months beyond his expectations, and yet he did not, according to their own statements, go and see the very people, who constitute the combine or north Atlantic conference.

Now, Mr. Speaker, this question seriously and vitally affects western Canada, and particularly the port of Vancouver. That is one of the reasons why I am addressing the House in respect to it. The exports from British Columbia for the year ending March 31, 1922, amounted to $71,000,000, and for the fiscal year 1923, to $97,000,000; and in 1924 they jumped to $140,000,000, an increase of $43,000,000. There are over forty-five different steamship lines operating out of Vancouver, and most of these are running between that port and the United Kingdom and the continent. Under this proposed agreement the country is not only risking $13,000,000—not risking it but giving it away—but the commercial and transportation interests of Canada, and the people

as a whole, are facing a dislocation of national trade conditions. It would be impossible to know at what moment Sir William Petersen may fail in his undertaking and thus bring about the consequences likely to result from a failure. Later I will deal with the agreement which he entered into in 1897 with the Dominion government in connection with the steamship proposition at that time.

I have taken the trouble of looking over a history of shipping so far as the British Empire is concerned, and I have found that during the four hundred years' experience in Great Britain, shipping subsidies having commenced about the reign of Elizabeth, there is no record of any such experiment as this government proposes to carry out on the north Atlantic against this huge shipping combine. The report to the British government of the select standing committee on steamship subsidies as far back as 1902, when a very thorough report was given, makes the statement, which is very significant in view of the present proposal of this government, that:

> Trade interests are not considered except so far as mail services follow the line of great commercial traffic.

That is, in giving mail subsidies the principle the British government has evolved, after generations and centuries of experience in the actual world of shipping, is that they do not give subsidies to influence rates or to seriously influence trade, but they have given subsidies for mail services so far as mail services follow the line of great commercial traffic. The reason for giving these subsidies, according to the statement, was to follow the great commercial routes. The object of subsidies, according to the policy of the British government during the last one hundred years, has been to provide speed and regularity of postal service, and they also provide for the use of the vessels during war. There is only one instance where that rule has been departed from, and it is in the establishment of a subsidy for the West Indian service to Jamaica, to encourage the fruit trade of those islands.

It is significant to note the hopes of Sir William Petersen in connection with this contract. These words have been mentioned before but they can bear repeating. Sir William Petersen is addressing his shareholders and as the head of this company is telling them what fine things are in store for them. I quote this from a publication of the Vancouver Board of Trade. It says, quoting the words of Sir William Petersen to his shareholders:

> You have to go in search of business now-a-days.

Apparently he headed right for our government here.

> I have been on a business trip which may bring a considerable measure of success to this country. It will matcrialize within the next few months, and in the early spring we will see our ships sailing under very much more prosperous conditions than at present prevail, with steamship companies dependent on existing low freights. We will be independent of the existing freight market. It is not a prophecy but also an almost accomplished fact. I am the biggest shareholder in this company, and I shall try to get as many shares as I can. Do not sacrifice your shares.

Are those the words of a man who expects to be an altruist to the people of Canada? Those are the words of a keen business man who has got a contract made against the people of Canada, and he is advising his shareholders to pick up all the shares they can because they are going to make some money on them. Sir William Petersen at the present time owns three steamers that we in Vancouver know about. They had one in 1924 under time charter to a Vancouver firm; another is under time charter to a Vancouver firm at the present time. In working out this contract, Sir William Petersen, as has been pointed out by various speakers, has it within his power under the terms of the contract to substitute in his place a company which the government are bound to accept without qualification. No matter what kind of a company he may get hold of, no matter whether it is loaded up with mortgages, heavily bonded or otherwise under obligation, Sir William Petersen may bring the ships under that company and always be within the terms of the contract. In so doing, as has been pointed out by at least two speakers, he receives $1,350,000. The boats will cost, I understand, about $500,000 each or $5,000,000 for the ten. The ten boats can be purchased on time payments of one-tenth each year, or $500,000. The interest on the money amounts to $250,000 for the first year. So that the payments which Sir William Petersen or his company must make in any given year, or rather in the first year, amount to $750,000. He receives $1,350,000; so he has a net profit, or money available, of $600,000 if he operates his boats at cost, without making anything on the freight. If the North Atlantic Steamship Conference are operating boats at a rate at which they must make a profit, naturally it will be very easy for Sir William Petersen to carry on his operations at a lower rate than theirs, complying in that respect with the agreement that he has with the government and thereby put in his pocket $600,000 a year. I would like to ask the Minister of Trade and Commerce (Mr. Low) if he has got any answer to that proposition. He has made no reply to any hon. member who has urged it so far, nor is there anything in

the text of this agreement that can be argued as giving the minister power to stop Sir William Petersen making a profit of $600,000 a year, which amount increases every year of the contract. The minister is silent.

Mr. LOW: He will have an opportunity later.

Mr. LADNER: I have heard three speakers make that point, and it is a very important one, and I have not yet heard the minister reply to it. I do not see how he can get around it. It seems to me that with the many one-sided features of this contract, Sir William Petersen has a very fine agreement, and can carry on his financial operations to an even greater extent than is indicated by these figures.

The Foreign Trade Bureau of the Vancouver Board of Trade, whose chairman is one of the largest exporters of lumber in Canada, or in British Columbia at all events, makes a very good comment with respect to this question. They say: One steamer will carry 1,800,000 bushels of wheat. It earns a subsidy of $135,000. That subsidy equals 7½ cents per bushel, which is the total freight rate from Montreal to Liverpool. But unfortunately these ten steamers could only move about ten per cent of Canada's usual transatlantic wheat movement; so ninety per cent must pay the higher freight rate. Now, who is going to be favoured in the ten per cent of that movement? And who will have the power to give the favours? That is something which I think would be hard for the Petersen people to carry out. If you apply the carrying capacity to lumber, the subsidy amounts to $16,000 per voyage, and in sixty voyages, which is all that the ten steamers can make in any one year, the lumber rate will amount to $4.50 per thousand feet board measure; and they can carry only a very small proportion of the export lumber business of British Columbia.

Now, I shall say a few words on the agreement. Sir William Petersen made an agreement with the Dominion government many years ago, in 1897.

Mr. ARTHURS: Are the ships of the Canadian Government Merchant Marine carrying much British Columbia goods at the present time?

Mr. LADNER: The merchant marine does carry considerable goods in the way of export from British Columbia, but the unfortunate thing is that although the government some time ago, after a great deal of persuasion and hundreds of telegrams and after eight or ten visits of delegations from boards of trade, made the promise that they would establish a customs officer in New York—and headlines a yard wide appeared in the government papers telling us the good news—yet they surrounded that officer with regulations of such a kind that he was absolutely useless, and he does not help the freight at all—that is, the trade between eastern Canada and Vancouver and vice versa.

Mr. ARTHURS: What about the export trade?

Mr. LADNER: The merchant marine does carry a considerable quantity of lumber, and I believe is getting along very well in that respect.

Mr. MacLEAN (Prince): Would the hon. member be in favour of continuing the merchant marine in that trade and on that route?

Mr. LADNER: My idea would be to continue the merchant marine on those routes where the steamers are paying or giving a service of value to the country; but where they are not paying or giving a service of value to the country, the government could use them instead of buying these ten new ships, or paying some other man to buy ten new ships.

Mr. MacLEAN (Prince): Are the ships not doing better on the Pacific coast than on the other coast?

Mr. LADNER: I believe in most cases on the Pacific coast they are making a profit, and where they are making a profit it is only common sense to leave them there to continue making a profit, because government institutions are so much the other way that when we find a ray of light in that respect, we ought to encourage it.

Mr. SUTHERLAND: The Prime Minister says they are no good.

Mr. LADNER: They seem to satisfy the trade of British Columbia in a number of lines.

Mr. GRAHAM: Does the hon. member advocate us withdrawing the east-and-west service through the Panama canal that has been established by the merchant marine?

Mr. LADNER: I certainly do not; I would be insane if I did.

Mr. GRAHAM: I do not want my hon. friend to go that far; but he takes strong ground that we should not run any of these boats where they are not at present paying, and I thought it rather queer.

Mr. LADNER: The hon. gentleman perhaps was not paying attention to my remarks. I took good care to say, where they were not paying or giving good service to the country. In 1897 the government of Sir Wilfrid Laurier made an agreement with Sir William Petersen and his associates, and I am told that Sir William Petersen failed to live up to the contract and forfeited his deposit, which was afterwards returned to him. The point I wish chiefly to make in that connection is this. Why not insert the same precautions and equally sound provisions in this agreement? This agreement, from a lawyer's point of view, is the most one-sided and open agreement you could possibly conceive of. There are no penalties. The worst the minister can do is to serve notice that the agreement is at an end. That may be very favourable to Sir William Petersen, and would not be helpful to the government.

I would like to draw the attention of the government to one or two of the clauses of this agreement, because they are very important, and we do not know whether the government is going to hold us hard-and-fast to the letter of this agreement, or whether the committee is going to change it, and whether a compromise is going to be reached after a further conference with Sir William Petersen I therefore think it is necessary to comment on these clauses, because we may be faced with that condition when the bill finally comes down. The first clause, as I have already pointed out, provides that the government shall accept the company which Sir William Petersen forms. In my judgment there should have been a provision by which that company should be such as met with the approval of the minister, because in company promotions and organizations it is possible to so organize a company as to completely defeat the end that the government seek in a contract of this kind. It is possible to work all kinds of ingenious schemes by means of control of directors, encumbrances, bond issues and many other matters, by which a company would be an empty quantity, so far as being a party to a contract of this kind is concerned.

My next point, and one which chiefly affects British Columbia, is found in subsection (d) of clause one which says:

> That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix such transportation rates on all commodities from time to time.

British Columbia received a very severe blow at the hands of this government when they allowed the Crowsnest pass agreement to come into force. We have been attacked by land on the railways and we are now being attacked by sea on the Pacific coast, because just as soon as the government brings in preferential rates under the Petersen contract, if it accomplishes the purpose for which the government made this contract, it is going to lower the ocean rates on the Atlantic coast, and in that way create a discrimination against shipping rates from the British Columbia coast or from western Canada, because the government will not be exercising that paternal and wise influence and directing their forces against any combines on the Pacific side of the North American continent. I should like to ask the minister how he is going to protect the western provinces against an adverse result under this contract and according to that provision, or how he can protect it. If the minister is reading his notes I will wait for a reply. If he does not propose to answer the question I will go ahead.

Mr. MEIGHEN: He will never answer it.

Mr. LADNER: I take it our addresses on this contract are in the nature of a debate, when an exchange of ideas would be of some advantage, and coming from Vancouver it is my duty and purpose to place before the government my views of our responsibility in the matter as we see them, and when the time comes to face the public we will tell them what we have done and the answer that the government has given us. I suggest this clause should be added to subsection (d)—

Mr. MacLEAN (Prince): Then the hon. gentleman is admitting there is a combine?

Mr. LADNER: I am not admitting there is a combine. I do not know.

Mr. MacLEAN (Prince): I thought the hon. member admitted that by inference.

Mr. LADNER: If the government is serious in the attempt to lower freight rates on the Atlantic, and their proposition is well conceived and they do lower these rates, is it not plain to the hon. member that it will have an adverse effect upon shipments from the Pacific coast through the Panama canal?

Mr. SINCLAIR (Queens, P.E.I.): That is quite true, but the agreement embodies all the ports, and Vancouver would be included, I think.

Mr. LADNER: No. The intention of the agreement is to control freight rates on the Atlantic between Europe and Canada.

Mr. GRAHAM: Would this be a fair inference: that if the government is right and my hon. friend is partially wrong, and it does transpire that the ocean rates on the Atlantic are controllable by the government, immediately following that the same principle would apply to the Pacific?

Mr. LADNER: Apply to what?

Mr. GRAHAM: To the Pacific ocean.

Mr. LADNER: Apply the agreement?

Mr. GRAHAM: The hon. member does not get me, perhaps. I ask him if this would not be a fair inference: that if it transpired that the government was right and succeeded in this attempt to control ocean rates on the Atlantic, taking his version of it would it not follow, as night follows day, that that success on the Atlantic would immediately be followed by the application of a like principle on the Pacific?

Mr. LADNER: Not necessarily at all.

Mr. GRAHAM: Well, I might say that it would.

Mr. LADNER: The goods are shipped from Vancouver to Europe; the competition is between the ports on the St. Lawrence in eastern Canada and Europe—

Mr. GRAHAM: The hon. gentleman does not get me.

Mr LADNER: Yes I do. The point is that if you reduce the freight rates on the Atlantic from an economic point of view, it has an effect on the Pacific.

Mr. GRAHAM: No, I said that if the government were successful, as they hoped to be, in getting control of ocean rates on the Atlantic, it would follow as a matter of course that that success on the Atlantic would immediately be followed by the government applying the same principle on the Pacific.

Mr. LADNER: Is the government prepared to say they will do so?

Mr. GRAHAM: Most assuredly.

Mr. MEIGHEN: A safe promise.

Mr. GRAHAM: This government always makes safe promises.

Mr. LADNER: Does the minister really think that a proposition like this which would control about two per cent of the freight between Canada and the continent is going to affect the freight rates on the Pacific?

[Mr. Ladner.]

Mr. GRAHAM: If it does not control more than two per cent, I should imagine the other ninety-eight per cent would not be making such a fuss.

Mr. MEIGHEN: What fuss are they making?

Mr. LADNER: I do not think there is any suggestion beyond the inference in the minister's words, that they are making any fuss. They are placing their case before the body that is going to make the law and they have not had an opportunity to do so previously. Mr. Preston in his report says:

> My only regret is that the investigation extended months beyond my expectations.

And yet the statement of the steamship companies is that he never came near them. What kind of information is that to justify the government entering into a contract of this kind? I presume the minister also includes the boards of trade of Montreal and Vancouver and all the business men of the country among those who are complaining against the proposed subsidy.

Mr. GRAHAM: The hon. member is wrong again. He asserted that only two per cent of the traffic would be affected.

Mr. LADNER: Of the total trade.

Mr. GRAHAM: The other ninety-eight per cent need not be very much afraid of our making a very great disturbance. He need not worry about the effect that two per cent of the trade would have on the other ninety-eight per cent. The other question the hon. member asked was, would there be an opportunity for the people who were reasonably opposed to this scheme to be heard? That is just what the government proposes in submitting the whole thing to a committee, where all objections can be heard.

Mr. MEIGHEN: Does the hon. minister think that if business men are lampooned in a reckless report they are not likely to protest?

Mr. GRAHAM: I do not object to that at all. If I were one of the ship owners I would feel that my business was interfered with and I would protest.

Mr. LADNER: Will the minister not agree with me that what the steamship companies are complaining of is not so much that they fear the competition of these wonderful boats of Petersen's, but that they object to a wrong accusation, and, as they say, the false statements made against them and affecting their honour without consulting them.

They feel it is a dishonourable thing for a government to appoint, in an official way, a representative who pretends to go into the matter and gather evidence, from the very companies affected, when on the facts submitted it appears he did not do any such thing. They have a reason to object, whether their interests are materially affected or not. I would suggest that a provision which I shall give should be added to subsection (d) of clause 1. The present clause reads:

That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix such transportation rates on all commodities from time to time.

I suggest that there be added these words:

But such rates shall be made with due regard to rates on similar classes of goods, products or commodities between the province of British Columbia or other western provinces of Canada and Great Britain or Ireland or the continent of Europe, so that there shall not be any unfair discrimination of rates as against goods, products or commodities between British Columbia via the Panama canal or other ocean route and the said western provinces of Canada on the one part and Great Britain or Ireland or the continent of Europe on the other part.

I would refer the government also to a provision in the agreement which makes it possible, at the option of Sir William Petersen to put on any number of ships that he likes and then to call on the government to pay the money. This point was referred to before, but I want to refer to it again. That is contained in clause 3 which states:

And the subsidy aforementioned shall be increased or reduced as the case may be in proportion to the number of ships operated and maintained by the contractor in the service aforesaid from time to time and such increase or reduction of subsidy shall be added to or deducted from the monthly payments hereinbefore provided for in paragraph two.

Therefore, if Sir William Petersen gets the idea that he wants to put on twenty ships instead of ten, he is able to ask the government to give him $2,700,000 instead of $1,350,000 a year, and instead of making $600,000 for himself, as he can,—and as to this the Minister of Trade and Commerce (Mr. Low) refused to answer or to give any explanation—make $1,200,000. It was said the other day that clause 6 provided a remedy in the hands of the minister. Clause 6, I submit, merely gives the minister power to act if Sir William Petersen does not act. It is an option in favour of the minister, by which the minister may say: In my judgment that trade requires more boats; therefore I give you three months' notice, and—

The contractor shall arrange to place additional ships up to the number of ten in this service on an increase in subsidy in proportion to the number of ships actually placed in service.

No one can deny that there is at least a possibility of a double interpretation, to put the case mildly and in the most favourable aspect to the government. Clause 9 states:

And the contractor covenants and agrees that the vessels in the said service shall prosecute all voyages made by them with all possible speed and despatch.

I submit that the minister should have some power to fix the dates and ports of sailings in order to meet the needs of the trade. The whole thing is in the hands of Sir William Petersen. He can fix the dates of sailings to suit himself. Clause 10 states:

The minister shall have the privilege at his option of entering into contracts for like purposes with any other contractor or contractors.

For my part, I would object to any government, whether Liberal or Conservative or any other kind, giving to a minister unlimited and full power to make contracts with sundry people unknown to parliament for any number of ships and on the basis upon which they might agree. It was said the other day that parliament would have to vote the money. That may be so before the money is paid, but the contract is binding upon the Parliament of Canada just as a contract would be upon an individual once it is signed. This contract gives to the minister full power to make whatever contract he likes and on whatever basis he may determine.

In conclusion, I would like to suggest to the minister that when he revises this contract, as he is going to do, because the Prime Minister said so, he should read the contract made between Sir William Petersen and the government of Sir Wilfrid Laurier in 1897. This contract will be found at page 3977 of Hansard of June 14, 1897. There are in that contract provisions which are so palpably and clearly in the interest of the people of Canada that it is beyond me to understand why the government has left them out of this contract, unless it has done so for some purpose beneficial to Sir William Petersen as regards which the people of Canada might be suspicious. I will refer the House to some of those provisions. This afternoon, we had a little discussion back and forth with the hon. member for Lunenburg (Mr. Duff) in regard to these vessels having to travel between Canada and Great Britain. In the contract of 1897, almost the same words are used. The contract reads that the contractor is:

To build, equip, provide, establish, and during this contract to continue and in the manner hereinafter mentioned, a regular steamship service between the port of Liverpool and the Canadian ports hereinafter named.

The ports were specified. Yet they took precaution to insert another clause in these words:

And the contractors do further covenant and agree with Her Majesty that the steamers belonging to the said service are not, nor are any or either of them while this contract exists, to call at any foreign port.

There is a specific prohibition to call at a foreign port without the consent of the minister. My contention is that under the present contract Sir William Petersen, after he leaves Montreal, can go down to United States ports and pick up freight there, perhaps pick up Canadian freight, and carry it over to the continent. There is nothing in the agreement to stop him from doing that. The agreement of 1897 contains this wise provision:

The days and times of sailing from the port of departure of the steamers are to be fixed subject to the approval of the minister.

Why did the government not put that in this contract? If hon. members will look through this contract, they will not see one right or authority on the part of the minister to control or influence Sir William Petersen in fixing days and times of sailing. In the 1897 agreement, there was a further good provision:

The right is hereby given to the minister from time to time, on three months' notice to the contractors, to change the time of sailings from the port of departure.

In other words, the contract makes it possible for the government, in the interest of the trade of the country and for the purpose for which the contract is made, to control the ports of departure and the time of sailings, and to change them when the government may so determine. Another provision which I commend to the minister is this:

And it is further mutually agreed and understood that the contractors are not to be allowed to receive or accept any subsidy or aid, pecuniary or otherwise, from any colony or foreign country, or any provincial, civic or municipal authority.

What is there in this contract to stop Sir William Petersen from going to France or some other country and making come kind of arrangement with respect to these same boats to give a certain service and to do it in keeping with the provisions of the contract? If hon. members will read the contract, they will find nothing in it to stop him from doing so. But what is most amazing is the absence of any penalty, of any forfeiture clause, in the present contract, excepting the right of the minister to terminate the contract on giving certain notice. In the contract of 1897 there was this very wise provision which I commend to the Minister of Trade and Commerce seriously in the hope that he will add it in his next contract:

The contractor must deposit with the Minister of Finance of Canada the sum of £10,000.

[Mr. Ladner.]

Why should not Sir William Petersen have made a deposit with the government in this instance as an evidence of his good faith? Why is he left absolutely free to do whatever he may see fit, without responsibility to anyone? There was another provision in the contract of 1897 along the same line:

That at the same time—

That is to say, simultaneously with putting up the £10,000 just referred to.

—they, the said contractors, will give to the minister a guarantee to his satisfaction for a further sum of ten thousand pounds sterling, which said deposit of ten thousand pounds and the guarantee for the further sum of ten thousand pounds are to be deposited and given as security that they, the contractors, will supply the steamers in accordance with the terms of this agreement.

And so forth. And if they did not carry out the contract the deposit was to be forfeited. I am told that, as a matter of fact, the contract with Sir William Petersen was not carried out and the deposit was forfeited; but through some machinations and influences friend Petersen, upon petitioning the government, got the money paid back to him. I do not know why this was done. There are various other provisions in the 1897 contract which are omitted from this one and which in my opinion ought to have been embodied in it. For example, liquidated damages are to be paid to the government by the contractors in the following manner:

The sum of five hundred pounds on each occasion when the contractors fail to provide at the appointed Canadian or British port a mail ship in accordance with the contract ready to put to sea at the appointed time or when such mail ship shall not actually put to sea and proceed on her voyage at the appointed time.

Now, suppose Sir William Petersen should fail to provide the number of ships which he has agreed to put into operation, or suppose there should be delays at any time of one week, or ten days or two weeks: where is there in the contract one single provision giving the minister the right either to oblige the contractor to implement his agreement immediately, or to impose a penalty in the way of a forfeit? There is nothing of the kind in the present agreement, and that is distinctly unfortunate. The 1897 contract also gives the minister the right to terminate the agreement at any time; and there are a number of other useful provisions. There is one particularly which I think should certainly be included in this agreement; the extravagance of the allowances in the present case would probably indicate the necessity for something of the kind.

It is a further condition of these presents that no member of the House of Commons of Canada shall

be admitted to any share or part of this contract nor to any benefit to be derived therefrom.

That provision appearing in the 1897 contract is altogether omitted from the agreement now under consideration. I have spoken at greater length than I had intended, but the subject is important and calls for careful study. This undertaking on the part of the government is apparently only the first step in the direction of Atlantic transportation, and it would seem that there is no limit to the enterprise. If the contract is approved it gives to the minister the power to enter into further agreements which may involve the country in untold sums, expenditures concerning which the elected representatives of the people will have nothing to say. This contract will operate adversely to the interests of western Canada and particularly of British Columbia. It is opposed by most of the organized bodies in that province, such as boards of trade, the Vancouver Merchants Exchange, and other important institutions. My suggestion to the government is that they allow the committee to deal with the contract in a truly impartial and dispassionate manner, enabling all interested parties to appear freely and submit their claims, so that no aspersions may be cast on anyone as is the case in the Preston report. If this is done and the government is willing to stand by the word of the Prime Minister (Mr. Mackenzie King), I am sure that after the subject is fully investigated they will go back to Sir William Petersen with a new contract of greater merit, a contract which will do justice to the various interests throughout Canada. And if a conference does exist and the members of it are unwilling to deal fairly with the people of Canada, then I for one would stand behind the government in an effort to bring relief to those who might be suffering from unfair rates either on the Atlantic or on the Pacific.

Mr. W. D. EULER (North Waterloo): After hearing the exhaustive address this afternoon of the hon. member for Lunenburg (Mr. Duff), himself a practical shipping man, I approach the subject of the debate with a rather greater degree of diffidence than usual. I realize that I am uttering what is a truism when I repeat the statement that has been so often made in the debate that the question of transportation, both by land and by sea, is one of very great importance to the people of the country and, I would add, a constant challenge to the best efforts of the government and of parliament. It is also a truism that a nation that has not the facilities for quick and easy communication, for rapid, efficient and cheap transportation, is a nation that cannot hope to hold its own in competition with the other nations of the world. This country is in urgent need of the very best facilities in the way of transportation, because of its great distances internally, from coast to coast, and the considerable distances that must be covered in the carriage overseas of its surplus products of factory and farm. I refer to this particularly because it closely affects the question of ocean freight rates. The farmers of western Canada produce large quantities of wheat in excess of the requirements of the country itself, so that of necessity this surplus must find a market overseas. One reason why it is indispensable that there should be a market overseas is the fact that the country to the south of us, which otherwise might be available to our producers, has erected high tariff walls against practically all the products of Canada. The products of our factories must also to some extent find a foreign market. It would I think be possible to prove that we have over-built in the matter of manufacturing establishments. And that is not a reflection on anyone. During the optimistic years of the war, or immediately following the war, our manufacturers with laudable enterprise branched out, perhaps just a little further than was justifiable. The result is that if these establishments are to be kept going and our workmen are to be employed, markets must be found in other countries. We speak of the necessity for greater production. But production to an extent greater than is needed to supply the needs of our own country is useless unless we can find markets for our surplus; and markets cannot be found, or if found cannot be taken advantage of, unless we have transportation at such a cost as will enable us to compete with other nations. I say therefore that the question of transportation rates, both by land and by sea, indirectly concerns all the people of Canada; so that all should work together with a view to providing whatever remedy may be necessary to improve such conditions as may be at fault at the present time.

Now, Sir, I make no claim to special knowledge of the shipping business and for that reason, as I said before, I approach the subject with a good deal of hesitancy. I have not the knowledge of my hon. friend from Cariboo (Mr. McBride) or of my hon. friend from Lunenburg (Mr. Duff), both ship owners, who both speak with authority. But I have followed the debate thus far with close attention and an open mind and certainly without any partisan feeling, and I am now trying to form my conclusions on the basis strictly of common sense and fair play. In this regard I

deplore the attitude of some of our friends diagonally opposite, who rather than debate the case strictly on its merits seem to find considerable enjoyment in abusing what one might call the plaintiff's attorney; they are paying more attention to the personality of the author of what is known as the Preston report than to the statements of fact and the findings thereon as presented in the report.

I should say that the subject might with advantage be approached in a threefold way: First, is there a combine? Second, is there a malignant combine? If such a combine exists, has it been using its power as a monopoly, to extort unfair rates and profits from the people of this country? And, finally, is the remedy proposed in this resolution best calculated to serve the purpose which we desire to achieve? I contend, Mr. Speaker, there is very little necessity for attempting to prove that a combine exists. One might almost say that the conference itself admits the existence of a combine, for the word "conference" in my mind connotes the word "combine", in this particular instance, and to me it seems to be a distinction without a difference. Certainly it is admitted even by those associated in the conference that they have an understanding for the fixing of rates, and that they abide by those rates. As to whether the combine is unfair and rapacious in its operations, one must judge by the evidence that has been adduced. I admit that after reading the Preston report I felt that a very good case had been made out. I have also read some of the reports and heard some of the speeches referring to the findings of my hon. friend from West York (Sir Henry Drayton); I have read some of the statements and some of the letters by the former Prime Minister, the present leader of the opposition, which rather bear out the contention that there was a combine, and that it was acting in such a way as to prejudice unfairly the interests of Canadian exporters and importers. So it seems to me there is very little reason to doubt that this combine did use its power to charge "all that the traffic would bear." And is not that the very nature of a combine? Every combine is formed primarily for the one purpose—to benefit itself. There is no doubt about that, and it follows logically and naturally that the benefits sought by the combine will be provided at the expense of those with whom it does business. Consequently, while I am ready to admit that possibly a combine might be conducted without disadvantage to those doing business with it, yet I think that is pretty much a matter of theory and not of practice. I believe it is possible, and sometimes quite desirable, to unite several lines of business into one organization, for by so doing they may be able to operate more cheaply through improving their methods, and they usually eliminate considerable overhead in the marketing of their product. But I also believe it is almost axiomatic that where a combine exists, especially if it reaches the point of being a monopoly, in ninety-nine cases out of a hundred it is conducted so as to be prejudicial to the interests of those with whom it does business. I have not very much doubt that if the north Atlantic conference is a combine it is no exception to what I say. If that be true, if we have a combine of that nature, then, Mr. Speaker, I contend that it becomes the duty of the government to apply such remedies as it may see fit.

I should like to discuss then for a few moments the remedy, and this is where a disagreement seems to take place. I regret that in the criticisms offered from the other side of the House no very practical alternative has been suggested in place of that proposed by the government, with one exception, that proposed by the hon. member for South York (Mr. Maclean), with which I shall deal a little later. It has been suggested that we ought to use the Canadian Government Merchant Marine in connection with this work. I had the pleasure of being a member of the committee last year that dealt with the estimates of the Canadian Government Merchant Marine, and during the course of the investigation I think it was pretty well established by unimpeachable authority—because we had before us people who know more about those ships than any hon. members—that those vessels are not adapted for the work which the ships named in this contract are supposed to undertake. Our ships are not properly built, and there seems to be very little doubt that they never will be able to make good in competition with the ships that now ply between the great ports of the world. I would suggest in connection with the contract made with Sir William Petersen, if it were at all possible, that the hon. Minister of Trade and Commerce (Mr. Low) would be doing a service to the country if he could induce Sir William Petersen to take over these merchant marine boats.

Then we have the criticism that the scheme is too small, that it is a mere drop in the bucket, or, as my hon. friend who preceded me (Mr. Ladner) termed it, a popgun. If that be true, I would reply that it would seem rather strange, if this proposition is so negligible and will have so little effect upon

the operations of the north Atlantic conference, that the conference should make so much fuss about it. Besides, I think the suggestion was made by the Prime Minister the other day in reply to the leader of the opposition, that if it is found that the present scheme is too small there is always the possibility of enlarging it if it gives promise of success. Personally I do not care to embark on a large expenditure of money in subsidies, but if the scheme does work out satisfactorily I for one am ready to consider broadening it out.

In the course of the debate on the Address I was a little disappointed at the tenor of the remarks of my right hon. friend, the leader of the opposition, who, I am sorry, is not in his seat. I have a great regard for him personally, for his clear analytical mind, his trenchant eloquence, and the logical way in which he reasons out his conclusions; and yet in his criticism of this scheme—which at that time I admit was not completely before the House—he seemed to be reduced to the necessity of reciting a couple of lines of poetry breathing discouragement and depression, the doleful couplet from Childe Harold:—

> Man marks the earth with ruin—his control
> Stops with the shore.

Surely my friend knows that poetry is the product of the imagination and that very often it is the absolute negation of fact.

Mr. FORKE: Poetry and politics do not mix.

Mr. EULER: I should say not, and I am surprised that the practical mind of the leader of the opposition would permit him to resort to poetry of this kind. The poet by the exercise of his fancy and the skilful use of words and rhythm and rhyme, symbol and metaphor, and all the arts of the practised writer, is usually able so to charm the ears of his listeners and engage them in the contemplation of the beauties he depicts that they entirely lose sight of the fact that what he is saying is contrary to truth and cold fact. This fits the case in connection with the quotation the right hon. gentleman gave. Besides that, it might be fair to consider that the poet Byron died about a hundred years ago. I hope, however, that the right hon. gentleman does not consider himself back in a generation so far away as that.

I was going to say that instead of taking a hopeless view of the difficulty as the leader of the opposition apparently does, and I am sure he does realize that we have a difficulty to contend with and an injustice to correct, I think that as a man of courage, as I know he is, he should make some real effort to suggest some remedy, if the present proposal does not please him, and then go on with the determination to correct the difficulty. In this connection I like the undaunted spirit of my hon. friend from South York (Mr. Maclean), and I desire to pay him my very sincere respects. He is the oldest member of this House, and yet the most forward-looking in his progressivism, and I am thinking of that with a small "p". At the risk of being reproached with what I said a few moments ago, I should like to say of him, if he does not resent it: "Age cannot wither nor custom stale his infinite variety." The hon. gentleman is a progressive in spirit; I am not applying that word to him in the party sense. He is a progressive, perhaps strangely enough, in the Conservative party. It might also be possible to find a few liberals and conservatives —again with a small "l" and a small "c"—in the ranks of my Progressive friends across the way. It might even be possible to discover, if a careful search were made, a few conservatives on this side of the House. I am now speaking with reference to the question of public ownership, to which the subject under discussion is akin.

Now I would like to speak for a few moments on the methods which have been suggested for applying a remedy in connection with the steamship combine. Frankly, I like best of all the suggestion of my hon. friend from South York—

Mr. MACLEAN (York): Hear, hear.

Mr. EULER: —when he says that the remedy for our troubles in regard to transportation both on the ocean and on the land is the uniting of the Canadian Pacific and the Canadian National into one great system. I know that that suggestion comes with somewhat of a shock, the first time it is made, to a great many members on this side of the House, and to some on the other side, although probably not so many. I hardly believe that I can fairly be charged with being a dreamer or a visionary. I hope I view in a practical way the problems that come before this House. I remember very clearly about eighteen or twenty years ago in the city from which I come, the city of Kitchener, there lived a man by the name of Daniel B. Detweiler, and in the village of St. Jacobs, eight miles farther to the north, a man by the name of Elias W. B. Snyder once a representative in the local House at Toronto. Both these men, by the way, were of Mennonite extraction, and they both dreamed the same dream at the same time. That dream was that the great cataract of

Niagara Falls might be harnessed and the power from the falls be distributed over western Ontario to turn the wheels of our factories, and to light and heat our homes. I well remember at a meeting of the board of trade in my home town Mr. Detweiler urging that a committee be appointed to look into the question of the development of Niagara power and its distribution throughout western Ontario. There was so much skepticism in the meeting that of all the gathering there Mr. Detweiler himself was appointed a committee of one to try to promote his idea. Yet that dream has come true. These two gentlemen from the riding which I have the honour to represent were the ones who first conceived of the development of Niagara power, which later was carried out through the genius and executive ability of Sir Adam Beck. Now if that dream came true, why should not the other come true? You have to-day the National railways. Who would have thought, ten or twelve years ago, that 22,000 miles of railway, the greatest railway system in the world, would be in the public ownership of the people of Canada? And I want to say that, despite the efforts of those who do not believe in the public ownership of railways, the National railways are here to stay, and that in my opinion, if ever there is to be a monopoly of railways in this country, it will be a monopoly owned and controlled by the people of Canada.

Now sir, we have these two great railway systems, practically parallel in many respects, duplicated at many points and both well conducted under the leadership of the executive of the Canadian Pacific Railway and the leadership of Sir Henry Thornton. Yet, despite the fact that they are well conducted, we have duplication; we have wasteful competition; instances have been given during this debate where we have unnecessary overhead and all that; and all at the expense of the people of Canada. Out of that condition results almost directly the deficit about which one hon. gentleman spoke a few moments ago. The time may not have arrived, the time may not be opportune, for the amalgamation of these two roads. I do not know that I am quite so optimistic as my hon. friend from South York who says it could be done in six weeks, but I do say in all seriousness that the logic of events and of common sense and of good business will result in the realizing by the people of Canada that this waste has got to stop, and that there is practically only one remedy for it. The union of the great public railway utilities of this country is reasonable, and, as I said before, a solution not only of our railway problem but, incidentally, of the one that we have under discussion to-day. The Canadian Pacific has a magnificent line of steamships, and if they were included in a merged system of railways in this country our problem would be solved and we would command our own fate so far as steamship rates are concerned.

Mr LADNER: Would the hon. gentleman be in favour of the purchase of the Canadian Pacific by the government of Canada?

Mr. EULER: Yes. Call it purchase if you like, I call it amalgamation. I am coming to that in a moment. I should like to repeat the striking statement that I made on the floor of this House last session, and it seems to me an almost unanswerable argument for the suggestion made originally by the hon. member for South York: I have it on the very highest authority that if the Canadian Pacific and the Canadian National railways of Canada could be combined, we could effect a saving of from fifty to seventy-five million dollars each year. It seems to me that argument is almost unanswerable. That sum of money would wipe out our annual deficits—would solve the problem that is pressing upon the country from year to year, the problem of deficits, of consequent high taxes, and would solve the problem which we are discussing now. I know many hon. members are definitely against the principle of public ownership and I have no quarrel with them. I know also that some hon. members who are in favour of the National railways rather shrink at the magnitude of the merger I suggest, the acquiring of the Canadian Pacific. The hon. member for Vancouver South (Mr. Ladner) has asked me whether I would be in favour of purchasing the Canadian Pacific. Well, my answer to that was, yes; but while I do not propose to go into this at any length I see no very insuperable obstacle to doing that. It would be just as easy for the two railways combined into a national system to pay returns, interest—dividends if you like to the shareholders and the stockholders—in fact on all the obligations of the Canadian Pacific, as it is for that company to do so now. The hon. member for South York made the statement that he thought the Canadian Pacific would not be adverse to entering into such a contract. I do not know; I have no knowledge on that score, but I do believe that it might very conceivably be good business for them to do it. I say this: As the people of Canada realize more and more that the National railways are their own property and that their own

taxes depend upon their patronage of their own railway, the Canadian Pacific may come to realize that the suggestion that has been made in this House to amalgamate the two systems might be in its own interest. I realize that what has been suggested by my hon. friend, and supported by myself, may be a matter of the distant future more or less, but failing that I have another alternative suggestion which I would prefer to the one that has been suggested by the government. And in passing, let me say, I have no fault to find with the suggestion by the government. It is, after all, the only effort that has ever been made by a government to deal with an evil that has existed for a great many years, and for that I compliment the government. I imagine that it took a good deal of courage to enter upon a conflict with such great interests as are concerned in the north Atlantic steamship combine. But I was going to refer to another alternative suggestion and that is this: If we are to pay out a sum of money aggregating some $1,300,000 each year for a period of ten years, I would prefer if those vessels could be constructed or purchased and operated by the Dominion government itself. I am well aware of the objections that are made to that. Some of us are constitutionally opposed to public ownership. I have heard the objection raised that it would be almost impossible for the government to operate these ships to advantage, that there would be all sorts of difficulties in connection with the obtaining of terminal facilities and connections overseas. That may be true and my mind is quite open in that regard; but I had another thing in mind in making the suggestion and that was, I believe it would be in the interests of our National railways if we could have a well equipped, properly built, completely efficient line of steamships to act as a complement to that system. In what I said with regard to the great rival of the National railways I have had no antipathy or prejudice against that company, but at the same time I should like to see the National railways placed on something more of an equality with the Canadian Pacific so that they might compete successfully with it. Moreover, I should judge that a great deal of business would go to the National railways if they had a line of steamships connecting both east and west, although the suggestion now is merely for operations in the north Atlantic. Finally, Mr. Speaker, if neither of these alternatives can be adopted, and I suppose there is no likelihood of their being adopted, at this session of the House, I believe in making some effort to fight the evil that we know of. I have already said it is my intention to support the government on the suggestion that has been made as the best that seems to be available. I think it is the duty of parliament to cope with the evil that it knows exists. The plan that is proposed is an experiment; let us call it that. It may fail; I do not know. It may be that we shall be able to strengthen it in committee, or to alter it, or to devise, something better, but the people of Canada—

Mr. MARTELL: Will the hon. member speak up so that we can hear him better? We always like to hear his views whether we agree with him or not, but in this quarter of the chamber we cannot hear him.

Mr. EULER: I am very sorry and I will try and speak so that I can be heard in any part of the chamber. I know that the charge of not being able to hear cannot be brought against my hon. friend for Hants (Mr. Martell). I should like to say this in all seriousness: I believe that the people of Canada—the ordinary people of Canada, and we are all ordinary—are convinced there is something in this charge of a combine, and they believe also it is working to the injury of Canadian business. That being the case I am very sure they will judge severely any member of this House who will not do at least his conscientious bit to remedy the wrong he knows to exist. I know very well the difficulty of some of my hon. friends, the Progressives across the way. They are opposed to the principle of a subsidy. As a matter of fact so am I, but in public life, as in ordinary life, we cannot always have our own way and sometimes we are obliged to compromise if thereby we can obtain good. So far as I am concerned I am ready to do that. Desperate ills require desperate remedies; and I was almost going to say that if it were necessary I am ready to fight the devil with fire. What I like about the whole scheme is that it is at least a definite departure from the old condition of sitting still and bearing the imposition; it is now a case of definitely getting up and fighting the thing that has been strangling the business of Canada. The scheme is probably not perfect, but I have sufficient confidence in the breadth of view of the Prime Minister, the Minister of Trade and Commerce, and the rest of the government to feel assured that if, in this committee to which the whole matter is to be referred, suggestions are made that quite evidently it will be in the interests of parliament to accept, they will be accepted. For

that reason, Mr. Speaker, I am prepared to support any reasonable plan that may be suggested that will tend to destroy the power of an organization that is hampering the progress and prosperity of this country.

Mr. M. N. CAMPBELL: (Mackenzie): In paying a tribute to the hon. member for North Waterloo (Mr. Euler) for the very able and instructive address he has given us, may I say that I am glad to welcome him into the circle of those who advocate public ownership. It has always seemed to me one of the anomalies of our political life that we have a Conservative party that has been fairly consistently behind the principle of government ownership and a Liberal party just as consistently opposed to it. May I express the hope that in the future these differences will not exist, and that the Liberal party of Canada will be real liberal in principle as well as in name. The history of the operations of the north Atlantic steamship combine reveals perhaps more than anything else the impotence of governments to control, in the interests of the people, those powerful trusts that have gradually developed and have been strengthening themselves during the last fifty years or more. It is not flattering to our Canadian governmental institutions to know that it was a Canadian company, a company that enjoyed special privileges from the Canadian government, and was directly responsible for organizing, some fifteen years ago, this trust that we know has done so much to strangle Canadian trade and industry. I have here the report of Mr. Preston, and also a report issued by the steamship companies refuting a great many of his statements and arguments. I find such a difference between them, such a divergence of views, and statements so diametrically opposed to each other, that one hesitates to discuss the report at all; and if anything were necessary to prove to us the necessity of referring this to a committee where all sides of the questions could be heard and statements procured, it is the difference in these two reports. The alleged discrimination against Canadian ports in favour of American ports in the placing of insurance, and the difficulty this has placed in the way of tramp steamers coming into the ports of Montreal and Quebec, can in my opinion be overcome in one way and in one way only; and that is the way our Canadian National Railway management have overcome it. Instead of paying out large sums of money as they formerly did to private insurance companies, the Canadian National Railway management are now paying these insurance moneys into a particular fund. The losses are taken out of that fund, and the result has been a saving of hundreds of thousands of dollars to the Canadian National Railways. On page 11 of Mr. Preston's report we find a copy of a memorandum which Mr. Preston claims he handed to the steamship companies. In dealing with the discrimination in the placing of insurance he says:

> The government has this question under serious consideration and is hopeful of permanently establishing a parity of insurance rates on the St. Lawrence with those to and from American ports.

It seems to me it is a most humiliating thing for the government of Canada to go on bended knee to private marine insurance companies and beg them to remove this discrimination. Surely the manly thing, the self-reliant thing and the statesmanlike thing for this government to do is exactly what our own Canadian National Railway management did, namely to ignore these companies, build up an insurance corporation of our own, pick some able and competent business men, put them in charge of it, and let it be run on strict business principles. I would suggest to the government that these companies charge the regular old-line company rates; but that at the end of the year, when the losses are paid, any moneys left over would be rebated pro rata to the shippers. I believe that by adopting a policy of this kind we can not only remove the discrimination but can create another discrimination; that is we can create a discrimination in favour of Canadian ports as against American ports.

Now I have not been able to secure any figures regarding profits or earnings of marine insurance companies. I do not know that any are available, but we have figures showing the earnings of fire insurance and life insurance companies in Canada, and some of these figures are very illuminating. I must admit, of course, that in life insurance the liabilities are spread over a long period of years, and one cannot properly determine the profits by the figures for a few years. Nevertheless these figures are so astonishing that they will at least give us some idea of what profits are actually earned. I quote from the Canada Year Book, and I find that after paying out claims, the surplus in the hands of Canadian life insurance companies was as follows:

1918	$35,000,000
1919	46,000,000
1920	65,000,000
1921	75,000,000
1922	80,000,000

I believe it is not an extreme statement when I say that if we had the surpluses earned by the fire and life insurance companies of Canada since confederation with the accumulated interest they would pay off the national debt. When we come to fire insurance it is more easy to determine the actual profits, because at the end of the year, when the policies run out and the losses are paid, anything that is left over is direct profit, outside of expenses of course. I find that in the year 1919 the amount of fire insurance placed in Canada was $4,923,000,000; the amount of premiums received $40,000,000; and the losses $16,679,000; leaving a net surplus in the hands of the companies of $23,352,000. This appears to be just an average year, because in the next year, 1920, I find the amount of fire insurance placed in Canada was $5,969,000,000; the premiums received amounted to over $50,000,000; and the losses paid $21,000,000; leaving a surplus in the hands of the company of nearly $29,000,000. Therefore it seems to me the government should take this matter into very serious consideration, and I certainly see no justification for the government placing itself in the humiliating position of coaxing these private companies to remove this discrimination against our Canadian ports.

When we come to consider the question of rates, the greatest discrimination, or the greatest difference between pre-war rates and after-war rates seems to be in the cattle rates. We find that whereas before the war cattle were handled from Montreal to Liverpool at from $6 to $7.30 per head, at present we are paying at from $20 to $25 per head. I must say I am not very hopeful we will ever be able to build up any very large live cattle trade with Great Britain under the present circumstances. I believe that if we are ever to develop a large live cattle trade with England it will be done through the Hudson Bay route. I know that many hon. members do not agree with that statement, but those of us who have been devoting months of time and study to the consideration of the reports and information in connection with Hudson bay are firmly convinced of the truth of that statement. I find that the government propose to pay out about $14,000,000 under this agreement which is before the House to-night. For this money which is to be paid out in subsidies we will receive no direct benefit after it has been paid. If this agreement was entered into primarily to protect the interests of the cattle growers in western Canada as it has been claimed—and I think perhaps there is some ground for that proposition—before the government go ahead and carry out that primary object, the proper thing to do would be to spend this $14,000,000 in completing the Hudson Bay railway and developing the port of Nelson. I am quite certain that within a few short years hundreds of thousands of head of live cattle would be shipped from the northern portion of the prairie provinces to Great Britain via that route.

Another thing that would affect the live cattle trade to a considerable extent is the further development of the port of Quebec. I have brought this matter up in this House on previous occasions and I intend to bring it up again. We find that in western Canada we can deliver our cattle on steamer at Quebec at a saving of from $4 to $5 a head. The facilities for handling cattle there are superior to those at Montreal, and the route is a little shorter over the Transcontinental railway; and I would entreat the government, if they want to assist us in developing our cattle trade, to do something further to develop the port of Quebec. The great difficulty in the way of shipping our cattle through Quebec is this, that owing to, not a discriminatory, but a prohibitive rate on grain over the Transcontinental to the city of Quebec, we are not able to make up mixed cargoes from that port. That is one of the factors in the cattle situation to-day. And while this matter is under discussion, I hope the government will see its way clear at some future time to remove that prohibitive rate and to allow some of our grain to go forward to Quebec so that mixed cargoes may be made up there. The question of government control of rates enters into this resolution. The history of government control of rates in the past has not been such as to encourage us in the hope that we are going to receive any material relief from the fact that the government will control rates on these steamships, because the government has absolute control of our railway rates and the government must be responsible for the retention of this prohibitive rate to which I refer.

A consideration of the report before us to-day, issued by Mr. Preston, reveals that it is noteworthy, not so much for what it says, as for what it fails to say. I have just been comparing it with a former report dealing with steamship rates. I refer to the report of the royal commission appointed two years ago to inquire into grain rates on the Great Lakes. In the report of that royal commission, I find that they went very fully into the earnings of the vessels, the dividends that were paid by the companies and the

values of their vessels. They gave us a great deal of evidence as to what earnings these vessels were making and they gave us further evidence to prove that the values of the vessels were inflated to show reduced earnings, whereas in reality the companies were making much more than their reports would indicate. In the report we are now considering we have not one single iota of evidence to show whether these Atlantic steamships are making enormous profits or whether, as some of the companies claim, they are really going behind. That proves the necessity of referring all this to a special committee of this House with power to bring witnesses here in order that we may obtain all possible information before we go any further.

When we come to consider rates on grain from Montreal to Liverpool, we find that there is no very great rise in those rates in comparison with pre-war figures. I have taken four different years before the war and four years after the war. I find that the cost per bushel of transhipping our grain from Montreal to Liverpool was as follows:

	cents
1911	4.15
1912	7.52
1913	7.82
1914	7.04

Now we come to the after-war period:

	cents
1921	17.25
1922	7.82
1923	7.93
1924	9.06

It is rather remarkable that our grain was transported in 1922 at the exact cost at which it was transported in 1913, notwithstanding the fact that coal, wages and overhead costs of ships had increased tremendously during that period. This may be due to the fact that one-half or more than one-half of our grain is handled by tramp steamships over which the combine has had no control.

Mr. Preston, in his report, states that in dealing with this we are faced with adopting one of two alternatives, that is, government ownership or subsidizing private lines. I have no hesitation in saying that, if we must choose between these two, in heaven's name give us government ownership rather than the continuance of a policy of granting subsidies to private concerns. We have government control of rates. We have government control of railway rates, but that has not prevented some of the most iniquitous discrimination from creeping into our rate schedules. We have indirect government control of rates on the Great Lakes, of the steamship companies, but that has not prevented those companies from fleecing us out of eight or ten million dollars a year in excess rates. I find that the government propose to pay out a subsidy of $1,375,000 a year or, in the ten years under this agreement, we would have paid out $13,750,000. I find that an annual subsidy of $1,375,000 would pay interest on a capital investment of $27,500,000. I would suggest to the government that rather than continue to pay out this subsidy with nothing to show for it at the end, we should increase the capitalization of the Canadian Government Merchant Marine, if more ships are necessary, to the extent of $27,500,000. In that way I believe we would accomplish more than we shall by the plan laid before the House by the Minister of Trade and Commerce.

Last session we discussed at considerable length the question of trade with the West Indies. The hon. member for Cumberland (Mr. Logan) very ably and eloquently placed some illuminating facts before the House in connection with trade with the West Indies, and made some concrete suggestions for the further development of that trade. On that occasion the Minister of Railways and Canals (Mr. Graham) suggested that probably the best course to follow would be for the government to construct two ships, specially built and equipped for carrying perishable products through tropical regions. That statement of the minister was applauded from every section of this House, I do not believe there was a dissentient voice; and that should be a clear indication to the government that parliament would prefer that policy to a continuation of a subsidy. But when I suggest a further increase of government ownership, I make that suggestion on the understanding that the government will see to it that its merchant marine in future remains out of this combine. About two years ago we had evidence produced before the special committee on Agriculture showing that the Canadian Government Merchant Marine had its feet under the conference table; that it was participating in these regular meetings for rate fixing and that, in fact, in some instances it was the principal sinner. The government must bear some responsibility for that. After nearly two years we recently had an announcement that the government merchant marine had withdrawn from this conference. Yet this same government comes forward to-day and in righteous indignation proceeds to deal with the North Atlantic Steamship Combine. In view of the fact that these prohibitory rates are maintained to prevent us from using the

Transcontinental railway for the transportation of our grain, forcing us at the head of the lakes to deliver that grain to the lake steamships whether we like it or not, and in view of the history of the Canadian merchant marine's connection with the combine, we may be pardoned for doubting to some extent the sincerity of the government. I would earnestly entreat the government to go further into the matter and give us some definite assurance that the Canadian merchant marine will in future keep strictly clear of the combine. I have here an editorial from the Manitoba Free Press in which there is discussed at considerable length the case of a shipment of cattle from Montreal to Dundee by a Colonel Mullins, a cattle shipper.

Mr. VIEN: What is the date?

Mr. CAMPBELL: The paper is torn and the only date that appears is April 28; I am not sure whether it is 1923 or 1924, but probably it is 1924. After summing up the evidence adduced, the Free Press observes:

> These documents make some things pretty clear. First, that the Canadian cattle shippers have nothing to hope for from the Canadian government merchant marine. No privately-owned line could have made a better job of trimming a cattle shipper and teaching him not to be so foolish as to try to ship Canadian cattle to British markets than the Canadian government merchant marine's performance with Col. Mullins.
>
> Mr. Motherwell's telegram to Col. Mullins, with its formal official defence of a $27.33 rate from Montreal to Dundee gives an accurate idea of how much the Dominion Department of Agriculture can be relied upon to fight for the interests of the Canadian cattle raiser in this matter of freight rates.
>
> With the Canadian marine in league with the shipping ring and the Dominion Department of Agriculture asleep at the switch, can anything be done?

The Minister of Agriculture (Mr. Motherwell), discussing this subject a few evenings ago, said that the time had come for us to line up either for or against the combine. The implication of that statement was that any of us who questioned the present proposal and demanded further light on it were lining up with the combine. I must repudiate that suggestion; we in this section of the House are as anxious as are hon. gentlemen opposite to have the combine dealt with. We want a little more information, however, and in general I believe that most hon. gentlemen in this section of the House would prefer to see some more money spent on the Canadian merchant marine. We should like to see the merchant marine develop so that any money spent upon it would yield us something in return. I would urge the government to turn the whole question over to a special committee, before whom those especially interested can appear and give testimony, so that we may have the fullest and freest discussion. We should be able to secure every possible information that would assist us in coming to an intelligent understanding on the subject. To refuse to do this, to force the agreement through the House without affording us an ample opportunity to acquire this information, is to surround the whole thing with mystery and suspicion. I hope therefore that before this matter comes to a vote the government will clear up the situation by making some pronouncement of policy along this line.

Mr. W. B. SNOWBALL (Northumberland, N.B.): Mr. Speaker, I make no apology for prolonging the debate on this subject, as I look upon the action of the government in grappling with ocean freight rates as being as important and far-reaching as any legislation that will come before this parliament. Every citizen in Canada, manufacturer, farmer or labourer, will be beneficially affected by the decrease in transportation charges, whether on land or sea. In dealing with the report I wish to eliminate Mr. Preston entirely, as he is only the instrument used, or the spade that dug up the facts.

The report deals with the problem as to whether there is a combine, conference or sitting-in of certain large shipping interests to consider and make or maintain freight and passenger rates; and I am satisfied that in this particular the case has been established. But if not, I have my own personal experience to draw from. I have before me both the report and the reply of the steamship lines, copies of which have been placed in the hands of some of us. While the reply is not signed, there appears in it some of the names of large shipping companies that operate on the north Atlantic. I do not see anywhere in the document the name of the Canadian Government Merchant Marine. I find that the steamship companies in this reply take exception to what Mr. Preston states on page 3. I would quote the following from their reply:

> As mentioned previously in this report there is no "combine" (which in the present day acceptation of the term implies a monopoly), but merely an association of the regular lines, constituting a very small portion of the carriers on the Atlantic, who have agreed among themselves to quote on various commodities equivalent rates subject to change on notice.

I wonder if that does not mean a combine. I think it establishes very fully, at least it does to my mind, the fact that Mr. Preston was right when he said that there was a conference almost equivalent to a combine.

In April, 1922, the British Admiralty sent a gentleman from England to dispose of the accumulation of war lumber stocks held in

this country. In the interests of the trade I felt that this lumber must be moved across the Atlantic to re-establish the business and relieve the American and Canadian markets. I met the representative in Montreal, and after some discussion cabled my English friends to name a price delivered to the British Isles. On hearing from them I called upon the Canadian Government Merchant Marine, as I felt that Canadian interests would appeal to them. I was cordially met, but Mr. Cunningham and Mr. Teakle assured me that they could not cut the existing rate of 90 shillings, although I told them that I was quoted 85 shillings to 90 shillings by tramp vessels. This rate however was too high to secure the business. Mr. Cunningham replied that he was sitting in with the conference and would bring the matter up. I told him that to move this stock we could not pay over 75 shillings, and that if that rate was not available I should have to allow the matter to drop. After spending two days without success, I went to Toronto and interviewed Mr. Hanna, the then president. I found him most interested in the proposition. He called in his marine assistant, and together we figured the probable cost including interest; and from these figures I claimed that 75 shillings would cover the cost barring accidents. Mr. Hanna, however, could not agree on his own initiative and suggested that together we go to Ottawa and discuss the matter with the minister. On reaching Ottawa we met the present Minister of Immigration (Mr. Robb), who introduced me to the late Hon. Mr. Kennedy, then Minister of Railways and Canals; and after some discussion it did not take him long to decide what was the proper thing to do. He advised Mr. Hanna to accept the 75 shillings and as a result I was able to charter the Canadian Trapper for two voyages, and the Canadian Planter for one under date of April 28, 1922. I then concluded the purchase and shipped the stock off the Canadian market. This was accomplished through the action of the late lamented Mr. Kennedy.

Tramp boats that had been formerly asking 85 shillings to 90 shillings came forward at once, and I succeeded in chartering the S.S. Dront at 75 shillings and the Convallaria at 72 shillings and sixpence. Tramp vessels invariably govern their freight rates by conference rates, keeping slightly under them. This to my mind fully establishes the fact of a conference or combine, and the result that will follow a lowering of conference freight rates.

This, as I say, brought the tramps down and we were able, owing to what was done by the Canadian Government Merchant Marine, to charter tramp boats for the removal of our lumber stocks all over New Brunswick at very much lower rates than were ruling when I went before the Canadian Government Merchant Marine management.

Now, Mr. Speaker, I am also satisfied that there is justification for an increase of ocean rates over those of pre-war days. Dock dues in Liverpool before the war were,—I speak subject to correction—one shilling and sixpence; to-day they are two shillings and eightpence; Dock labour was four shillings and sixpence to five shillings per day; to-day it is twelve shillings and sixpence. Wages on vessels were £3.15.0 for sailors, £4 for firemen; now they are £9 and £9.10.0 respectively. Coal that cost, bunkered, $2.75 to $3, now costs from $8 to $9. But, even considering these increased costs, there is nothing to my mind to justify a three hundred per cent to four hundred per cent increase in rates, as the report shows, and as is confirmed by a letter from a large leather manufacturer. This condition is intolerable and must be grappled with. We do not need to rely for data on the report in our hands; all we have to do is to refer to the correspondence tabled the other day where we find this matter was brought to the attention of the government as far back as 1921 in a letter, and was dealt with by the right hon. leader of the opposition in the reply he made to Sir George Perley. I do not need to read this reply as it will take time and hon. members already have the correspondence in their hands. I would also refer the House to a letter written to the right hon. leader of the opposition on October 5, 1920, by Mr. C. B. Watts of the Millers' Association:

> This apparently illustrates the point brought out at the hearing, and as confessed by the agents of the mercantile marine, that they could at their will say whether Canada would export flour or export wheat, and they are apparently at this moment exercising that power to prevent Canada shipping flour to the United Kingdom, but allowing it through their concession of 20 cents per 100 pounds to ship from Boston and Rotterdam.

We have other quotations here. One of my hon. friends from the west (Mr. Ladner) in referring to this matter quoted the resolution passed by the Vancouver Board of Trade a few days ago, in which they declared themselves against this agreement. I have no doubt but that is correct, and the case may have been dealt with on its merits, and the Vancouver Board of Trade may have thought that the only thing which would be accepted by this House was the contract or agreement now before us and were not aware of what the right hon. Prime Minister said yesterday, that he was prepared to have the agreement go before a special committee to be fully

discussed. Against that resolution I want to quote to the House from the correspondence placed on the table a resolution passed by the Ontario Associated Boards of Trade at their annual meeting in Toronto on February 25, 1913. I do not think the rate conditions on the Atlantic have changed any since that date. This is their resolution:

> Therefore be it resolved that the Ontario Associated Boards of Trade in annual meeting assembled, strongly urge the government to immediately establish a line of ocean freight steamers, or to take such other steps that will prove immediately effective to relieve the producer and consumer in Canada from the exactions of the ocean freight rate combine. "Carried unanimously."

Ontario is one of our largest shipping provinces and is vitally interested in ocean freight rates on the Atlantic, and I put that resolution alongside the resolution passed by the board of trade in Vancouver. Maybe the Vancouver people are afraid that by the development of the Atlantic ocean traffic they may lose some of the kudos they derive from being able to ship through the Panama canal. I object most strongly to their action, for to-day they glory in the fact that through the Canadian Government Merchant Marine they can send their lumber down the coast through the Panama canal and into the eastern states, by reason of their low freight rates, driving the Maritime provinces away from the natural market they have had for years for their lumber. Any member here who fails to stand up against the Vancouver Board of Trade resolution will be derelict in his duty to Maritime interests.

My impression is that the steamship companies are not acting in their own best interests and that of Great Britain and Canada by maintaining such rates and moving their vessels with cargo and passenger space not fully taken. I believe if they were to cut their rates so as to induce trade and travel that their earnings would materially increase and more than make up for the cut in rate. A general feeling of prosperity would follow that would be mutually beneficial to the steamship lines and the country.

Personally I am an admirer of the Canadian Pacific Railway and feel that the company have done much to put Canada where it is to-day. They ventured much, and success followed. Why do they not now blaze the trail as they did in building their railway across Canada, and thus get back to cheaper passenger and freight rates? I should like to see such a patriotic corporation approached by the government. They can do much for Canada, and in this instance they can do more at once than any other institution. We must have cheaper rates, for the prosperity of Canada depends on them, and my endeavour will be to find a satisfactory method, and I will endorse this one in the Canadian interests if a better solution cannot be found.

I cannot see why some money cannot be spent on the Canadian Government Merchant Marine to bring it up to date and fit it for actual service—fit the boats with a refrigerator plant and space for limited passenger accommodation, and have them call at such ports as Miramichi, New Brunswick, from which port fresh fish, lumber and pulp is shipped to the British market. They could make fortnightly trips bringing out freight and passengers, and land them at Miramichi, getting return cargoes between Miramichi and Bathurst. The distance from Miramichi to Great Britain is the shortest route from any part of Canada to the British Isles. There are railway facilities at Miramichi, and freight from the west can be brought in by carloads and shipped from there, thus giving employment for some of our men of the Maritime provinces who are looking for improved conditions which may naturally be expected under the Liberal regime, particularly if this project is consummated. I join heartily with the development of Halifax, St. John, Quebec, Montreal and Vancouver, Mr. Speaker, but there are other ports that must get consideration to make a full rounded-out Canada.

I should like to touch on immigration, as it was mentioned by one hon. gentleman that Canada did not offer sufficient inducements. It never will offer sufficient inducements with the present high tariff. But reduce the tariff and the cost of living will come down. People will come to our land in hundreds of thousands as they did under previous Liberal rule and tariff reductions, but were soon scared away by the high tariff period that followed after 1911. Who pays the duty? The farmer and the labourer who compose over eighty-five per cent of our population. They not only pay the bulk of the $160,000,000, but also the increased cost produced by the tariff. Make it possible for the backbone of this country to live more cheaply, the farmer to buy more cheaply, and we will be able to compete in the world's markets, and steamers will be filled with immigrants seeking our shores. No one likes to have a gun pointed at him—and there has been some suggestion of a popgun—no matter what its calibre may be, and while the steamship companies may feel that this gun is not of a very large calibre, evidently they would like to have it pointed the other way, because they are very energetic, as this reply of theirs

to the Preston report shows, as well as their action in having people around here trying to find out what the attitude of parliament will be. But if we are loyal to Canada and to the people we represent, some action must be taken by this parliament because it is imperative that the lines now operating on the Atlantic reduce their rates, both passenger and freight, so that prosperity may come again to this country, and prosperity can only return in full measure when transportation rates on both water and land are reduced materially from what they are at the present time.

I think some good to Canada will come from submitting this contract to parliament, and I believe that it should go to a special committee for mature consideration. I am free to admit that I hope some of its defects will disappear, and that a policy will emerge more potent than this contract for the relief of the intolerable burden of ocean freight rates as they exist at the present time.

In conclusion, I think the previous speaker must have been unaware of the intention to send this question to a special committee for further consideration. If he had known of that I think he would have joined most heartily with the members on this side of the House who are in favour of an advanced policy for Canada that will reduce freight rates, and by so doing reduce the cost of living, and bring again to Canada the prosperity that we had during the regime of Sir Wilfrid Laurier, and which has already commenced to come during the regime of the present Liberal government.

Mr. A. J. LEWIS (Swift Current): Mr. Speaker, I do not wish to speak very long upon this subject to-night, especially as it is going to be considered by a committee which will investigate the whole question and report back to the House. I understand, however, that it is not the wish to adjourn so soon, so I shall continue the debate for a few minutes.

I listened with a great deal of interest to the hon. member for Lunenburg (Mr. Duff) this afternoon, and I agree with him that the government should be congratulated upon its attempt, at all events, to grapple with the problem with which we are concerned at the present time. We know very well that rates at the present time are almost prohibitive, and that as a result a great deal of depression exists among the farming classes in this country, and especially among those who are interested in the shipment of cattle to Great Britain. But I do not altogether agree with the hon. member when he says that if this country had voted for reciprocity in 1911, we would not now perhaps have this problem to face. We must remember that we are living in a democracy, and if the people of this country in 1911 decided against reciprocity, it is no good harping upon the subject or regretting past action. We must live in the present. Between 1911 and the present we have had a world war, and there is no telling what the United States would have done, even if reciprocity had come into effect. I also want to congratulate the hon. member for Lunenburg who, although he was interrupted frequently this afternoon, remained courteous throughout and showed himself a gentleman to all his interrupters.

I do not altogether agree with him, however, when he says that the Imperial authorities are very slow, but that we in this country do things in a hurry; but the hon. member is partially correct because this government produced its remedy before it had received the report. I would also like to suggest to him that sometimes "fools rush in where angels fear to tread".

I also wish to say a few words in regard to the remarks of the hon. member for North Waterloo (Mr. Euler). He said that he had listened to this debate continuing for a number of days, and had heard very few practical suggestions. He gave one or two himself to the House. He spoke, for instance, in regard to the ownership of a steamship service. I would remind him that when I was speaking on this very same subject in the debate on the Speech from the Throne I also suggested that as one of the remedies which this country would ultimately have to adopt before we would be able to smash this alleged combine.

He also went on to say he was glad it was a departure from folding our hands and doing nothing. Now it is a good thing to fight if you know what you are fighting about; but it is not always a good thing to fight until you are quite sure of your ground and know what chance you have of winning. I believe that we would have a much better chance of success if we were not fighting a lone hand. I listened to the hon. Minister of Trade and Commerce a few days ago, who in speaking of the combine, mentioned some of the great steamship lines and suggested that probably this was a combine that encircled the whole world. Well, if we are up against a powerful organization of that magnitude, we should think very seriously whether we in our lone capacity, with ten small ships, have any chance of winning out; or are we simply throwing away $1,375,000 on a losing game? That is the question that is before us, and I think

myself it would have been a good stroke of business if we had used the machinery that we have ready to our hands and have attempted, at all events, to get in touch with the Imperial authorities, whom we claim are also vitally affected by this combine, and with other parts of this great empire, because by so doing we might have been able to unite as we did in the war, and with the whole empire behind us have a better chance of success.

I wonder whether the Minister of Trade and Commerce went to the steamship lines who are vitally interested in the well-being of Canada and placed this matter before them and offered them this same opportunity that has been given to Sir William Petersen. We must remember that the Canadian Pacific Railway Company is vitally interested in the prosperity of Canada, which is more than can be said, I think, of Sir William Petersen and his company. The Canadian Pacific has millions of dollars invested in this country, and it is to their interests as well as ours that we should place these matters on a sound financial basis in order that we may ultimately get prosperity.

I should like to say a few words in regard to an interruption I received when I was speaking on this subject in the debate on the Speech from the Throne. I happened to mention the press reports, and also the subject that was quoted by the leader of the opposition at the present time (Sir Henry Drayton), and I was interrupted by the hon member for Cape Breton who asked, "Does the hon. member presume to lay down the government's policy in regard to the whole question?" To which I answered, "I am merely commenting on the speech of the leader of the opposition and the press reports, and the president of the Petersen line," and the hon. Minister of Trade and Commerce then said, "A bad basis." Now really, was it a bad basis? That is the question, because now that the resolution is down I find that the press reports were pretty nearly correct. I also find that the speech delivered to the shareholders of the Petersen line by the president was also pretty correct in detail. Therefore I do not know why the Minister of Trade and Commerce should speak of a "bad basis." I think it was a splendid basis.

The question is asked in this House why the attempt is being made to discredit Mr. Preston who has prepared this valuable report. Well, I understand that in a court of justice if a witness comes forward and you can prove to the judge that evidence given by him in the past has not been correct his testimony falls to the ground. I am not saying this in regard to Mr. Preston, but the line being pursued by some hon. members with respect to that gentleman seems to be that if they throw discredit upon him they will discredit his evidence. As far as my knowledge of western Canada goes I believe the farmers there will be glad that this government is making a serious attempt to smash the North Atlantic Steamship Combine, and that a resolution has been introduced into parliament for the purpose. I think they will welcome the news for this reason: At the present time they find it is almost impossible, under existing conditions to raise cattle and ship them to Great Britain. But I want to inform the government that the western farmer is also an intelligent being, and that he does not want any legislation passed that will be based on an unsafe foundation. He does not wish this government to grant subsidies for the establishment of rates that will stimulate an artificial trade between Canada and Great Britain, the removal of which will bring about a worse condition than that which obtained at first. It does seem to me that it would have been a better stroke of business for the government, in the first place, to have placed an auditor or a skilled accountant upon these steamships in order to find out the actual cost of taking cattle across to the Old Land. If it was ascertained that the cost of conveying cattle across the ocean was much lower than the charge which the steamship companies make at present then I believe that something drastic should have been done. If, on the other hand, it was ascertained that there was no profit in the transportation of cattle under existing conditions I do not believe this government or any government would be justified in attempting to create a market in Great Britain by artificial means. I believe that even the men of my own district would be against a subsidy of that particular kind.

It does not seem to me that Sir William Petersen is very much interested in smashing the ocean combine, because he tells his shareholders that it is impossible to make a profit under the existing low rates. Therefore he is a very poor man to engage in this kind of game when he himself does not believe that the present rates are too high. To his shareholders he said "I think that in the spring our ships will sail under very much more favourable conditions." But at whose expense? At the expense of the people of Canada.

Generally speaking I am against the granting of subsidies. We have already mail subsidies to steamship lines but I do not believe it is a wise plan to extend the operation of these subsidies. The hon. member for Lunen-

burg (Mr. Duff) said that if he was the owner of one of these great ocean liners he would do everything in his power to smash this combine. But suppose the alleged combine should decide that no vessels should proceed to the port of Montreal for a period of one or two weeks during the busy season? What would be the result of such a course as that? It would disrupt the whole trade of Canada and would divert a great deal of our commerce to United States ports. To many of us that would seem to be a very unwise thing to do, but is it not within the bounds of possibility that the steamship companies in question might resolve upon such a plan.

Mr. LOW: Does my hon. friend think the Canadian Pacific would do that?

Mr. LEWIS: I do not know whether the Canadian Pacific would do such a thing or not. In any event we are not fighting the Canadian Pacific; we are fighting, as you yourself stated the other day, the whole north Atlantic combine, consisting of eight, ten or twelve steamship lines. Now, if such a combine exists—and the government claims there is such an organization,—it would be open to them to take such a course, and even if it were only tried for two weeks it would tie up business in this country, and cause the greatest possible inconvenience to the people of western Canada, especially should such a boycott be established during the busy season.

Mr. JACOBS: Where would the tramp steamers be all this time? Would they not be coming into port?

Mr. LEWIS: They might be coming into port, but the statement has been made in this House that not fifty per cent of the wheat shipments, for instance, were taken by tramp steamers last year.

Mr. FORKE: No, it was stated that they carried sixty-two per cent of the shipment of wheat from the port of Montreal.

Mr. JACOBS: If the liners did not come would not the tramp steamers be available?

Sir HENRY DRAYTON: Does my hon. friend want the tramps to take the place of the liners?

Mr. JACOBS: In the event of the other vessels being tied up.

Mr. LEWIS: I want to say a few words in regard to the Preston report. I am afraid I have not been able to find anything new in it.

Mr. MARTELL: Is it not a fact that tramp steamers go from place to place looking for cargo, that there is no regularity in the service which they give, whilst there is regularity in the ocean transport service by the regular lines? The ordinary tramp steamer calls at one port for orders, and then goes to another port for a cargo; she has no regular port at all but is always looking for a cargo. The shippers could not depend upon tramp steamers and the quicker we recognize that fact the better. There must be some regular system of transportation from one port to the other. The question in this matter is whether there is or is not a combine. The hon. gentleman must not rely upon tramp steamers.

Mr. LEWIS: I was not suggesting we should rely on tramp steamers. My contention was that if this alleged combine should withdraw the ocean liners from the port of Montreal, we will say for a period of ten days or two weeks, it would inconvenience a good many industries and individuals in Canada—in fact it would tie up business generally and disorganize our commerce. I am not saying that it would be done, but it is a method which might be resorted to.

Mr. MARTELL: Is it not a fact that ninety-nine per cent of the members of parliament do not know the difference between a tramp steamer and an ordinary liner?

Mr. LEWIS: I will allow the hon. member to speak for himself.

Mr. MARTELL: I will answer my hon. friend by saying that I come from a race of seafaring people and I know all the steamship lines in the world. I am not criticizing the speech of my hon. friend but I ask him not to ignore this fact: You will not produce the millennium by any sort of legislation, remember that. The tramp steamers are looking for traffic everywhere, but if you once dislocate the system which has long been established, what are you going to put in its place?

Mr. LEWIS: I do not suppose for one moment that this legislation is going to produce the millennium. If I thought so I would not vote for it, because I am not ready for the next world for a little while yet. With regard to the Preston report I may say that I do not see any new material in it. The first ten or twelve pages deal with the report we have already received in the House with regard to the agricultural commission and other reports. So far as the freight rates are concerned, which he brings forward in proof of many of his statements, they deal to a large extent with other coun-

tries rather than our own, and I do not think that his comparisons are altogether fair, as was shown the other day in regard to the difference in immigrants coming to this country in 1903 and 1924. There is no comparison of the ships that bring people over. I remember coming myself in 1903. I must admit that at that time the service was good, much different from the time my hon. friend from Cariboo (Mr. McBride) came over. When I came over I think it cost me something like $60 to get to Winnipeg; I am not sure what the ocean fare was. I went over again in 1912, and I think the fare was $67. I believe that in the same class to-day the fare is double that amount of money. But there is this to be taken into consideration; coming to Montreal, at least to-day, the harbour charge is double what it was two or three years ago. Hon. members can readily understand that the prices have increased all around. They could not make charges similar to those in effect in that time. At the same time I agree with a great many that they are far too high. But my difficulty is whether this scheme is going to be effective, or whether it is simply another drag upon the ratepayers at the present time. I should like to point out that this is rather an unusual procedure to bring in a resolution and also a bill before the committee has reported.

Mr. MARTELL: Will the hon. gentleman suggest any alternative?

Mr. LEWIS: I will suggest two. The first is that I think the government would be wise if they would call together the people who are interested in any part of the British Empire who wish to get lower freight rates in the first place. For instance take Australia. That country had ships of her own some time ago. I understand she sold them very recently. With a lone hand she could not make it go, but with Australia, New Zealand and Canada in conjunction with Great Britain, surely if the people of Great Britain, in that free trade country, feel that there is a combine, you would have the whole British Empire behind you and you would not be fighting a lone hand; and for that reason I would commend what Sir Wilfrid Laurier did at that conference in the attempt to get the people of the British Isles and the British Empire together to fight this alleged combine. That would seem to me the best way it could be done. Failing to get the support of Great Britain or any other part of the empire, I would suggest what I suggested some time ago, namely to create a steamship line under the management, if you will, of Sir Henry Thornton, who seems to be a splendid official. Let us take the same amount of money we are spending and create our own lines, similar to the Canadian Pacific Steamship lines. Then we would be independent of all the other steamship lines.

Mr. MARTELL: Does the hon. member advocate that we should go into government ownership of steamships? I think we have enough government ownership at the present time with the Canadian National Railways.

Mr. LEWIS: I will admit that the Canadian National Railways, and the whole system of government ownership has bled the Canadian people white; but at the same time I have great confidence in it, and if we would put party bias aside and get down to business management, the Canadian Government Merchant Marine might be in a better position than it is at the present time.

Mr. MARTELL: The hon. member would like to put the steamship line under Sir Henry Thornton, the same gentleman who is in charge of the Canadian National Railways. If under his management the Canadian National system is bleeding the people white, would the hon. member want him also to bleed the people white under the system of a steamship line?

Mr. LEWIS: No. I am not saying anything against the management of the Canadian National because we are gradually getting out of the hole; but I want to say the deficit on the Canadian National cannot continue. If we take into consideration the stock we are buying every year and the equipment, with the deficit, it would amount to nearly a hundred million dollars. I say that this system of going behind cannot continue very long in Canada.

Mr. MARTELL: Bankruptcy would result.

Mr. LEWIS: It means bankruptcy if we are going to keep on in this way. With a population of nine million people we cannot pay ten or eleven dollars a head to liquidate the deficit on the Canadian National, and the time will come when we shall be forced into the scheme suggested by the hon. member for South York (Mr. Maclean), where we shall have to combine in order to save ourselves.

In closing I say that I intend to vote that this resolution shall go to a committee. I do not know altogether, nor am I satisfied in my own mind, that this is the best scheme. I think there are other schemes which might be suggested, but this is the only scheme that is before us, and we must deal with it upon its merits. When a man speaks in this House

about a certain matter the people claim, "Oh you are against it" or they say, "You are siding with the steamship lines; you are on the side of the combine". Nothing can be further from my mind. I do not believe in combines. I think they should be fought where we can fight them with any measure of success; but I do not think it is wise to attempt to handle them until we are sure of our ground and have some conception of success in the future. For that reason, I hope, after this matter has been before the committee and all the evidence available is gathered and comes to our hands, that we shall see to it that we cast an intelligent vote either for or against it as the case may be. At the present time I intend to vote that this matter shall go before the committee, and I will await my final decision till the bill comes back from committee.

On motion of Mr. Forke the debate was adjourned.

On motion of Mr. Mackenzie King the House adjourned at 10.40 p.m.

Friday, March 13, 1925

The House met at three o'clock.

PRINTING OF PARLIAMENT

Hon. CHARLES MARCIL (Bonaventure) presented the first report of the joint committee of both Houses on the printing of parliament.

CORRESPONDENCE ON OCEAN SHIPPING RATES

Correspondence exchanged between the government of Great Britain and the government of Canada respecting the proposed investigation by the Imperial Shipping committee of the North Atlantic shipping rates, also the effect on empire trade, with special reference to the conference system.—Right Hon. Mr. Mackenzie King.

IMMIGRATION—ISSUE OF PERMITS

Hon. J. A. ROBB (Minister of Immigration and Colonization) laid on the table the annual return of permits issued under the authority of section 4, subsection 2, of the Immigration Act.

He said: For the information of hon. members I beg to submit the following general notes of interest:

(1) The return covers all permits issued between the 19th July and the 31st December, 1924. The 19th July was the date upon which the amendment to section 4 of the Immigration Act became law.

(2) In several cases it will be observed that a permit was issued in cases where deportation had been ordered. In this connection it is well to recognize that where complaint is made to the department with a view to deportation and the board of inquiry finds that the person is deportable, the deportation order is issued as a matter of course. Provision is made in the law for an appeal to the minister. In a number of cases consideration has been shown on appeal. If the person whose deportation was ordered were allowed to continue residence in Canada without being placed under permit, that person, on the completion of five years' stay in Canada, would acquire Canadian domicile and could not then be deported. The issue of the permit automatically lifts such person out of the immigrant class and places him in the non-immigrant class and prevents time running in his favour for the acquisition of domicile. This explains why permits are sometimes issued in deportation cases.

CANADA HIGHWAYS ACT EXTENSION

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to provide that the time within which the various provinces of Canada may earn and be paid the sums allotted to the said provinces under the provisions of the Canada Highways Act, chapter 54 of the statutes of 1919, as extended by chapter 4 of the statutes of 1923, be extended for a further period of two years.

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

Motion agreed to.

CANADIAN NATIONAL RAILWAYS
BRANCH LINES CONSTRUCTION BILL

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee at the next sitting to consider a proposed resolution in favour of the Turtleford branch.

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

Motion agreed to.

IMPORTATION OF TOBACCO

On the Orders of the Day:

Mr. P. A. SEGUIN (l'Assomption and Montcalm) (Translation): Mr. Speaker, I should like to draw the attention of the hon. Acting Minister of Customs (Mr. Cardin) to an article which appeared in La Presse on March the 12th last and which reads as follows:

Notice to Tobacco Merchants and Smokers

St. Jacques de l'Achigan, March 10, 1925.

To the Editor of La Presse.

Sir,—A few months ago, quite a considerable quantity of foreign tobacco was imported. This produce of an entirely inferior quality for the pipe, has been mixed with our tobacco of the province of Quebec and sold as such. It has been established, to-day, that these foreign tobaccos sold as products of the province of

Quebec have considerably depreciated the value of our tobaccos. It would be advisable that dealers who handle these mixtures should explain to merchants where these tobaccos are grown and their quality. It is but proper that these transactions should be carried on in such a way as not to further disparage our tobaccos. It is being loyal to one's own people to try not to belittle their products.

The Tobacco Growers' Association.

I should like to know if the minister is aware of this practice of a nature to strongly prejudice the interests of the tobacco growers of the province of Quebec? If so, will strong and effective measures be taken to further protect our good friends the tobacco growers?

Hon. P. J. A. CARDIN (Acting Minister of Customs) (Translation): Mr. Speaker, no precise information has reached the Department of Customs and Excise on the subject to which the hon. member refers. I can assure him that we shall keep him informed. The department is prepared to take all the necessary measures to protect the legitimate interests of the tobacco growers.

RURAL CREDITS—REPORT OF DR. TORY

On the Orders of the Day:

Mr. GARDINER: Will the Acting Minister of Finance (Mr. Robb) kindly inform me as to whether he has yet received the final report from Dr. Tory with regard to rural credits?

Hon. Mr. ROBB: I think Dr. Tory is expected in Ottawa next week.

HOME BANK DEPOSITORS

On the Orders of the Day:

Mr. IRVINE: I should like to ask the government if they have considered the advisability of providing in the supplementary estimates for the reimbursement of the Home Bank depositors.

Hon. Mr. MACKENZIE KING: The government's policy with respect to the matter to which my hon. friend has just referred will be made known in due course. No announcement will be made until the government is in a position to make a definite statement.

RAILWAY FREIGHT RATES

On the Orders of the Day:

Mr. MEIGHEN: In the Speech from the Throne intimation was given that the government's policy in respect to land transportation would have to await the judgment of the Supreme court. Inasmuch as this judgment has been given, is the government prepared to say that they purpose bringing down legislation on the subject?

Hon. Mr. GRAHAM: The government does purpose bringing down legislation, as announced by myself some days ago, dealing with the freight rate situation as it now exists.

Mr. MEIGHEN: Could the minister give an intimation as to when the government will probably be ready to introduce the legislation.

Mr. GRAHAM: I am not in a position to say at what date, but we will do it as expeditiously as possible. The freight rate situation is not at all satisfactory to any person anywhere in Canada at the present time.

Mr. MEIGHEN: Hear, hear.

Mr. GRAHAM: And it behooves this parliament to deal with it. Under the finding of the Supreme court, it is the only body that has authority to deal with the question.

TORONTO TERMINALS

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved the second reading of Bill No. 23, respecting the Toronto Terminals Railway Company.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

Section 1 agreed to.

Bill reported.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION FOR RATIFICATION DISCUSSED

The House resumed from March 12, the adjourned debate on the motion of Hon. T. A. Low (Minister of Trade and Commerce), to ratify and confirm a contract between His Majesty and Sir William Petersen providing for the establishment of a subsidized steamship line on the Atlantic and government control of ocean rates and the proposed amendment thereto of Mr. Clark.

Mr. ROBERT FORKE (Brandon): I desire to offer a few remarks upon the resolution and amendment which are now before the House. There are two important factors in the life of Canada, and in fact in almost every other country, but more especially in this country of wide distances and long hauls in the matter of transportation. The first question to which I refer is that of production, and the second, that of transportation and distribution. I do not intend at this time to take up any of the time of the House in dealing with the question of production. As regards distribution, however, I may say just in

passing that we have a great deal to learn in this respect. I see it stated that in Denmark eighty cents out of every dollar goes to the producer; in the United States, about 33⅓ per cent of every dollar goes to the producer. Consequently, a great deal has to be learned in the United States, and I think the same applies to conditions as they exist in our Dominion, we have yet many lessons to learn about co-operation in distribution and the disposal of our produce. But we are more particularly concerned this afternoon with the question of transportation. To Canada transportation as has already been remarked in this debate, is of the utmost importance. Long hauls are necessary to bring our produce to the seaboard, and, a great deal of our produce has to be transported across the ocean into the markets of Europe before it can be sold.

As regards the contract that is before the House, I should like to read two resolutions that have been made public. The first is a resolution passed by the Canadian Council of Agriculture. It reads:

> Pending an investigation establishing the extent to which ruling ocean rates are unreasonable and that they will be effectively reduced by granting Dominion government subsidies, and considering Canada's serious financial position owing to existing obligations and the existing burden of taxation, the Canadian Council of Agriculture, while recognizing the concern manifested by the Dominion government in the matter of ocean rates, goes on record as deprecating so serious an expenditure of public moneys by means of subsidies which in principle are undesirable and justifiable only in cases of proven national necessity.

The second resolution I have referred to is one passed at the annual convention of the United Farmers of Manitoba, and it reads:

> That whereas, the present rate charged by steamship companies for the carriage of Canadian cattle overseas is excessive,
>
> And whereas, the development of the cattle industry is one of the basic factors connected with the development of permanent agriculture;
>
> Therefore, be it resolved that we endorse the efforts of the federal government in trying to reduce the present rates.
>
> And we further urge that the government exploit every legitimate means and continue every effort to have these rates reduced to a reasonable basis.

I have read these resolutions to show that this matter is of wide interest in all parts of the Dominion. And indeed the question of ocean freight rates is one of world-wide importance. We know that the open sea is the highway for all nations, but the matter immediately before the House, the question of transportation on the north Atlantic ocean is more intimately connected with Great Britain, Canada and the United States. Approaching the consideration of conditions as they exist, there are some people who take

the ground that everything that is is right, and there is another class who immediately assume that everything that is is wrong. Reasonable people have to consider just what is the mean between these two extremes and to find out what actual conditions are. I have noticed that the criticism has been made in connection with the subject now before the House that it is a mere waste of time, a mere trifling with the time of this parliament, to discuss this question. Perhaps that is a very extreme view to take. Those people will be inclined to say that all is well on the Atlantic and that in time everything will come out all right.

I do not think anyone denies to-day that there is a shipping conference, one part of that body sitting in New York and dealing with transportation going over the ocean eastward, another branch sitting in London and dealing with transportation going over the ocean westward. It was very well remarked by the hon. member for North Waterloo (Mr. Euler) last night that a conference or a combine—it does not make any difference what you call it—can have at least two functions. They can get together for co-operation and conference in order to better conditions, to find out how best their business—in this case the business of transportation—may be carried on. They may confer for the purpose of benefiting themselves or for the purpose of benefit accruing to the public. I have never heard, however, of any combine or conference that came together to consider matters of this kind that acknowledged any other intention than that of promoting the public good. Consequently we sometimes view with a good deal of suspicion any conference or combine that is able to get within its power and really control any great interest, whether the public has any say in the matter or not. We are, therefore, quite entitled to view with a certain degree of suspicion any large interest which gains control of any particular business or trade or industry, and to desire to have some opportunity of knowing whether it is in the public interest or not. So we can ask the question at this time: For what purpose is this conference being held? The question of the control of freight rates is not a new question. It has been before the Dominion government, the United States and other countries for a very long time. But, coming more particularly to deal with our own Dominion, I have a few extracts that, with your permission, Mr. Speaker, I will read to the House just to show that this is nothing new, that it has occupied the attention of different

governments before the present government assumed office. The first extract which I am going to read is taken from Hansard of May 5, 1913. I have the volume here and am willing to read the context if any objection is taken to what I have before me. This was taken from a speech delivered by the then hon. member for Portage la Prairie (Mr. Meighen). He said:

> We have every evidence of a monopoly in the arrogant exercise of power that we have had to submit to up to the present time. I am aware that the government have been dealing with this matter; that they have addressed themselves to it with vigour. I am also well aware that it is not possible to follow the old methods of attack and hope to meet with success in an attack on this corporation. It is not possible to adopt the old weapons and hope to win. Along what lines is it possible that we may succeed?

After some reply to that remark by the Hon. Mr. Pugsley, the right hon. gentleman (Mr. Meighen) said:

> The hon. gentleman says that these increases have taken place in the last eighteen months. They commenced before that time. I want to call the hon. member's attention to this, that the perfection of the North Atlantic Shipping Conference is not a matter of eighteen months' duration. That perfection was attained while the hon. gentleman was Minister of Public Works of this country.

He was referring to the Hon. Mr. Pugsley:

> It was while the late government was in power that they collected their arsenal and sharpened their weapons. It was during all those years that they boldly set about to equip themselves for reaping the reward that they are now attempting to garner. They did it in the full light of day. They acted in such a way that they swept from the seas the tramp steamers, everything that might enter into competition with them

Mr. EULER: What year was that?

Mr. FORKE: That was 1913. I am reading these extracts to show that there have existed in the past conditions very similar to those which we are considering at the present time, and that numerous demands have been made at various times that the problem should be dealt with. Apparently everybody so far has recognized the existence of the evil. In 1914 the hon. member for West York (Sir Henry Drayton) was sent to England to look into the matter, and after considerable investigation he appeared to be very much disappointed with the outlook. He came back, and nothing was done at that time. In 1918 the Dominions Royal Commission reported there there existed a combine of ship owners operating against the public interest and that a discrimination in rates was being practised against Great Britain in favour of foreign countries. Sir George Perley also wrote that rates "during past years" had been higher than were reasonable; and Sir Thomas White cabled to the High Commissioner for Canada that he was much concerned about freight rates and was anxious to have inquiries made in Great Britain to ascertain whether anything could be done in the way of co-operation.

We can see therefore that attempts have been made from time to time to deal with what apparently has been regarded as an evil by different governments and different members of those governments during a number of years past. Whatever may be the facts, everyone knows beyond question that rates have increased most enormously since this conference, or combine, or whatever you choose to call it, has come into existence.

In this connection let me say just a few words touching the Preston report. I do not think it is at all necessary that we should pay very much attention to that report; I do not see that we need take up the time of the House discussing it so far as the question of transportation and ocean rates is concerned. It seems to me that the fact has been fully acknowledged by different governments and by former members of this government that freight rates have been uniformly higher than they ought to be; that would appear to be established even apart from the evidence that has been submitted in the Preston report. Now, I have nothing to do with the personality of Mr. Preston, about whom I really do not know very much; and so far as I can see, that does not enter into the matter at all. If Mr. Preston is presenting the facts as they are, the facts will stand investigation independently of what we may think of Mr. Preston; and if they are not facts but only unfounded allegations they will fall to the ground. It is a very common practice in law, although I am not so sure of this, not having any knowledge of courts and lawyers, that when a lawyer has no case the best thing for him to do is to abuse opposing counsel in order to fill up the time and show at any rate that he has something to say. And while this abuse of Mr. Preston may be necessary under certain circumstances, to my mind at least it has very little to do with the question under consideration; the facts which Mr. Preston has submitted are what we have to consider at the present time. Are the statements made by Mr. Preston borne out by the facts as they are? That is what we have to consider now, that is the extent to which we must take his report into consideration. No doubt it may turn out that Mr. Preston has attempted to prove too much; and it seems to me on the face of the report that sometimes it might have been better if he had stated the case a little more mildly. Had he done so he would perhaps have re-

ceived a little more attention and been more readily believed. At the same time, I am not disposed, as some members of this House are, to discount the report. It is possible that the statements contained in it may be proved to be not so very far astray after all.

We are met however by a straight denial on the part of the steamship companies of some of the facts stated in the report. We have Sir William Noble of the Cunard line making the statement that any action by this House to take into consideration some of the allegations made might well alienate the sympathy of the steamship companies. This is a serious state of affairs indeed, and I would call the attention of hon. members to the threat; the very fact that this House should attempt to investigate the proceedings of the combine will "alienate the sympathy" of the steamship companies from the people of the country! Well, I do not think for one moment that these steamship companies are in the business for their health or for the benefit of the people: they are in the business for what they can make out of it. I am not afraid therefore that we shall lose their sympathy or that any damage will accrue from any investigation we may make into the manner in which these companies carry on their business.

I want to say now a few words about the Canadian Government Merchant Marine, and before proceeding I would read a short extract from the Ottawa Journal. I read this paragraph to refresh my own memory and those of other hon. gentlemen:

> If the King government thinks an Atlantic combine exists, let it use and subsidize its own ships to fight it. Canada to-day has a merchant marine of 57 fine ships. Two of them are of gross tonnage exceeding 7,000; twenty-three of tonnage over 5,000; one of tonnage over 4,000; fifteen of tonnage over 3,000; fifteen of tonnage over 2,000; and one of 1,766 tonnage.
>
> Their total tonnage is, roughly, 220,000 or 125,000 tons more than the ships to be provided by Petersen. What a farce, therefore, to have this Canadian government tonnage with insufficient cargoes or rusting at docks, while proposing to bonus an outsider with millions for fewer and no better ships?

That does seem a rather serious charge to bring against the government under the conditions that now exist; but we want to get all the information we can regarding the Canadian Government Merchant Marine before passing judgment. I listened with a good deal of pleasure to the speech delivered the other day by the hon. member for Cariboo (Mr. McBride) in the course of which he discussed the question of shipping. Perhaps that hon. gentleman is more fully informed on this subject than any other hon. member who sits on this side. Unfortunately, however, I was unable to be present during the delivery of another speech, that of the hon. member for Lunenburg (Mr. Duff) which the House heard yesterday afternoon, and as I have not been able to read his speech in Hansard I have not the benefit of his remarks on the subject. I consider the hon. member better informed on shipping matters than most of the hon. gentlemen that sit on his side, and for that reason I regret not being in possession of the facts he submitted. However, I have several statements in regard to the Canadian Government Merchant Marine which I should like to read.

Mr. DUFF: Will the hon. member allow me? He quoted from the Ottawa Journal a statement in regard to the tonnage of certain ships of the Canadian Government Merchant Marine. The Journal was not fair to the merchant marine, who have two ships of 10,000 tons, twenty-three of 8,500 tons, and, if I remember rightly, about twenty-five of 5,500 tons.

Mr. CALDWELL: But that is dead weight and not carrying capacity.

Mr. DUFF: I have quoted the carrying capacity; dead weight capacity is carrying capacity, is it not?

Mr. FORKE: I am not going to enter into any controversy on that point because I do not know much about it.

Mr. DUFF: I simply wanted to point out that the Journal was not fair to the merchant marine. I am accused of always knocking the Canadian Government Merchant Marine and I simply desired to show how fair I am in correcting the Journal's figures.

Mr. FORKE: I am sure we are all glad to have the correction. Now, I have taken some extracts from correspondence in connection with the Canadian Government Merchant Marine, and I want to refer to a letter from Mr. R. B. Teakle to the Deputy Minister of Agriculture in which the statement is made that the smaller ships are not at all suitable for carrying cattle; they could carry about 138 head in the big ships, but this was not worth while when expense was considered. There is also a letter from the Minister of Agriculture to Sir Henry Thornton, of March 15, 1923, with the reply that the steamers were not suitable as cattle carriers. Extensive repairs would be needed, the approximate cost being $32,000 per ship, and from October to May they were liable to be flooded during storms. I have also a memorandum prepared by the Minister of Agriculture.

Mr. MEIGHEN: From whom was the last letter sent?

Mr. FORKE: That was from Sir Henry Thornton in reply to the Minister of Agriculture, who had written on March 15, 1923. He said that the steamers were not suitable as cattle carriers.

Mr. MEIGHEN: What steamers?

Mr. FORKE: The Canadian Government Merchant Marine.

Mr. MEIGHEN: It could hardly refer to all of them, for several of them are carrying cattle now.

Mr. GRAHAM: But they are not suitable for the purpose. They cannot carry cattle at a fair rate and make a profit.

Mr. MEIGHEN: They all claim they cannot carry cattle at the present rate and make a profit.

Mr. GRAHAM: I am telling you what Sir Henry means—that none of them was suitable for carrying cattle; which is true.

Mr. MEIGHEN: He did not say that at all.

Mr. FORKE: Another memorandum prepared by the Deputy Minister of Agriculture states:

> It has been contended that smaller boats were not suitable for the cattle trade. This is demonstrated by the serious loss of cattle from the Commander in October, 1921, when she lost 57 head from a load of 280 cattle.

The following extract is hardly along the same line, but I think it will be interesting to hon. members. The Minister of Agriculture (Mr. Motherwell) stated):

> If the Canadian Government Merchant Marine were not in the conference they might get cargoes east, but for a cargo to come west they would have to compete with the entire North Atlantic Steamship Conference, and would come back empty.

This correspondence in connection with the Canadian Government Merchant Marine is not very encouraging. During the four sessions I have been in this House I have listened to a good many discussions regarding our fleet, Mr. Speaker, and I have not yet been able to determine just exactly what traffic the ships are suited for. I think it is about time we decided whether we have something that is of value to the country in transporting our products overseas, or whether our merchant marine is always going to be a liability. Of course, I realize that the boats were built at a time when shipbuilding costs were very high, and that consequently we may have no reason to expect any return upon the capital expenditure, but it seems to me it would be well for us to ascertain just exactly what traffic these boats are suitable for and utilize them accordingly, so that they may earn at least enough to pay operating expenses. It is very unfortunate that the present condition should be allowed to continue. I shall refer to this subject again when dealing with the Petersen contract.

Turning again to the cattle trade: I have not the exact year, but the year previous to the passing of the Fordney tariff by Congress, I find we exported to the United States 500,000 head of cattle; in 1923 our exportation dropped to 65,629 head; that same year we exported to Great Britain 39,856 head. So our total exportation for 1923 was something like 105,000 head, against 500,000 exported to the United States alone before the Fordney tariff went into effect, showing what a tremendous blow that was to our cattle industry. However, we have no reason to complain against the action of the United States government; if they saw fit to erect a tariff barrier against our cattle, while it was a serious blow to Canadian stockmen, yet it was the United States' own business, and we have to find another market to take our surplus cattle. That is why it is so important that transportation rates both on land and sea should be as low as possible in order that we may reach the markets of the Old Country. During the last few years, I find there has been a very serious increase in rates to Great Britain. From 1904 to 1912 the ocean freight rate was less than $8 per head. At that time the rail rate from Winnipeg to Montreal was $7.26, and the ocean rate thence to Liverpool $7.30—a difference of only 4 cents. Last year the rail rate from Winnipeg to Montreal was $10.20, while the ocean rate to Liverpool had increased to $20. This is something I have considerable difficulty in understanding, although there may be satisfactory explanation from the shipping companies. No one in this House will contend for a moment that railway operating costs have not increased enormously during the last few years—wages, materials and equipment have increased very greatly since pre-war days—and yet we find that although from 1904 to 1912 the freight rate from Winnipeg to Montreal and the ocean rate from Montreal to Liverpool were nearly the same, today the railways carry cattle from Winnipeg to Montreal for about one-half what the shipping companies charge to transport them to Liverpool. Now then, why has the ocean transportation charge increased so tremendously as against the comparatively moderate increase in railway transportation charge during the past few years? So far I have never

received any adequate explanation for this great disparity.

At this time the question naturally arises: If there is a combine, will the proposal contained in the resolution offer a satisfactory solution? I wish I was able to answer the question offhand. But I do not know. However, it is worth considering. We have seen that the high cost of ocean transportation from Canada to Europe has for a number of years caused a great deal of disquietude to those who have had control of the administration of this country, but unfortunately all the activities that have taken place from time to time have brought no benefit to our exporters and importers, and consequently it is about time we woke up and tried to do something to remedy this unsatisfactory state of affairs. I am not prepared to endorse offhand the proposal contained in this resolution. I am aware that a great many objections can be urged against some of the details, and of course we expect that whatever attempt is made to combat any conference or combine will meet with the most strenuous opposition from those interested in the continuation of high ocean rates. We can well understand that the government is undertaking something that entails upon it a tremendous responsibility. If this parliament undertakes to fight a combination so wide in its extent as the North Atlantic Steamship Conference it is undertaking a pretty heavy task and will have a bitter fight on its hands. At the same time I do not feel like giving up and saying we can do nothing. I do not think we should fold our hands and say, "We will let matters take their course and everything will come right in the end."

I do not wish in any way to reflect upon the British government, but I saw a statement in the British press not long ago to the effect that Sir William Petersen will be able to get no assistance in the way of financing from the Trade Facilities Act of Great Britain. Then, I noticed a reference in the Morning Post—a very respectable paper, Mr. Speaker, as everyone knows who knows anything about British newspapers; a paper which, I am sure, would not look with any degree of encouragement upon any such proposal as that which is now before this House—says:

> This arrangement is a sinister attack upon the unity of the Empire.

Just think of it; the idea that any parliament would dare to investigate such an arrangement as is supposed to exist in connection with the north Atlantic shipping combine! It makes me just a little suspicious when the Morning Post takes up the cudgels on behalf of that conference and claims that any criticism of their conduct is an attack upon the unity of the empire. It is also stated—I do not know what truth there is in it—that the large financial interests are not too friendly to the move that has been made by the present government.

4 p.m.

Be that as it may, we cannot anticipate that in connection with this matter the government will get much assistance from that source.

A good deal of criticism has been levelled against this proposal, and I could myself, I think, point out the inadequacy of the attempt being made by the government to fight such a large combination. I would almost be inclined to give up in despair; to believe that any attempt in this direction would be futile, that nothing could be accomplished against the large interests concerned. But it is interesting to note the effort that is being made to refute the charges levelled against the north Atlantic shipping conference. Gentlemen connected with these companies are waxing eloquent and going to a great deal of trouble to explain how vicious and how wrong this movement really is and to state that there is no ground whatever for any of the allegations made respecting high freight rates. Well, I cannot understand why they should bother themselves very much about this matter if the step which it is proposed to take could have no effect whatever upon future conditions with respect to ocean transport.

Mr. LAPOINTE: They are doing it for exercise.

Mr. FORKE: I cannot see the reason for all the fuss, if there is nothing in it. An hon. member to my right—I do not know who it was—made a reference the other day which seemed to indicate that there was a connection between a wheat pool and a combine; at least he suggested that a pool was in the nature of a combine. I am willing to admit that to some extent it is, but if you will allow a momentary digression, Mr. Speaker, I will try to explain the difference between a pool such as is operated in connection with the marketing of wheat, and a combine for the raising of prices or for any other purpose. A pool has never been undertaken for the purpose of raising prices. Last fall it was stated in the public press that the pool in wheat was responsible for raising the price of wheat during the last few months. I do not for a moment agree with that view; I do not think any pool can raise the price of wheat. The idea of a pool in the marketing of wheat is this: The wheat is threshed in large

quantities and then marketed during the period from the middle of September to perhaps the middle of December. It is thrown upon the market all at once, in enormous quantities. The millers can use only certain quantities of wheat at a time, and as a rule they buy the wheat just when they want to use it. Consequently someone has to step into the market and buy the large surplus of wheat that is thrown upon it at that time. Naturally the man who buys that wheat has to speculate upon what the price will be in the future. He has to take into consideration the tying up of his money for that period, and he is not likely to take any chances; he is not likely to pay the highest price. The idea of a pool is to put the wheat on the market, not all at one time but just when it is required by those who are using it for milling purposes —to feed the market according to the requirements of the millers, thus bringing into action the law of supply and demand. The result is that it is quite possible for the producer to get a better price, and the consumer does not have to pay any more for the wheat than he would have paid otherwise. That also eliminates the speculator who would come between the producer and the miller who buys the wheat for grinding purposes. That is the difference I would make between a pool and a combination that can be used to enhance prices.

I do not think the members in this part of the House have ever been enamoured of subsidies. The experience of Canada in the matter of subsidies has not been a pleasant one. There is even now before the House a matter affecting a large corporation which has received an enormous amount of money from this country in subsidies. I have no hesitation in saying that it is a blot upon the fair name of this Dominion; it is a festering spot, and I am sure every loyal Canadian is ashamed of the conditions which have been brought about under the guidance of that corporation. That condition has not the effect of making us fall in love with the idea of paying large subsidies to any corporation. However, if it can be shown that a subsidy will be of real benefit I do not think I would be wedded to any particular course simply because it was an academic consideration. We are living in a practical age; we have certain conditions to face and we must meet those conditions as best we can. As to the subsidy that is proposed in this case, whatever may be said for or against it, it is for no particular class, for no particular people. If in the interests of any, it would be spent in the interests of all the people. I think, perhaps, the class of shippers who would most benefit by a reduction in ocean freights through this special arrangement which the government is trying to make with the Petersen interests would be the package shippers.

I have suggested that the remedy that is being offered seems to me almost inadequate to meet the situation. I am told that nearly one thousand boats cleared from the harbour of Montreal during the last season; and in that connection I am quite willing to accept the figures of the hon. member for Vancouver Centre (Mr. Stevens) who pointed out how many trips the ten boats of the Petersen company could make during the season. It does seem to me that it is almost too small to make any particular dent in the arrangements that now exist with respect to ocean shipments. However, I am quite willing to investigate this matter; I am willing to give the government the credit for at least making an attempt to do something to better the existing conditions. I know very well what the feeling would be to-day in western Canada—speaking for myself and also, probably for most of the members who are with me on this side of the House—if it were to go out that we were against any attempt to meet the existing conditions and to deal with this conference, if we were simply to lie down and say that nothing could de done. We are anxious and willing that some investigation should be made; and I feel perfectly certain, if this matter goes before a committee, if we can get a proper investigation such as we ought to get—the privilege of summoning witnesses and of putting them on the witness stand under oath—that whatever comes of it we will at least be in a position to know something of the facts of the case. Then, knowing the facts of the case, having got all the information we possibly can—and I think the Prime Minister has made the promise that no obstacles will be put in the way of getting the fullest possible explanation in regard to the whole affair—being in possession of all the facts of the case, we shall then be in a position to vote intelligently upon the matter. I do not want to stand up here and assume a hostile attitude in regard to this arrangement although I may be somewhat critical, because it seems to me that we are up against a proposition that is tremendously big and that we may have some difficulty in combating it. However, I would say let us make an attempt to deal with the matter anyway; let us have an investigation and find out what we can. Having done that I think most hon. members will be enabled to give an intelligent vote when the proper time comes.

Mr. DONALD SUTHERLAND (South Oxford): Mr. Speaker, everyone must regard the situation with which we are confronted in this country as a very serious one indeed. The difficulties with which the government have to contend at this stage in our career are also very great. A number of years ago we became responsible for heavy liabilities which are increasing as the years go by. The war undoubtedly entailed many obligations. The conditions which prevail to-day, seven years after the close of the war, are not at all satisfactory, and the outlook is not at all encouraging. Therefore it behooves every loyal and patriotic citizen of Canada to do everything possible to bring about a better state of affairs. The country has great resources, many of them as yet untouched. We are in a very fortunate position in having a country so richly endowed by nature. Nevertheless the responsibilities which devolve upon us are such as to demand our most serious attention. I can assure the government that anything I may say this afternoon will not be said with any idea of embarrassing them in any way; I shall be influenced by the belief that frankness of speech is what the situation demands.

I do not feel like allowing a vote to be taken on this question without expressing my own views with respect to it. We have heard a great deal about the solution now proposed by the government for some of our difficulties embodied in the Petersen contract. Transportation, is of necessity bound to have an important influence in connection with the problems of a country so vast as is Canada. Ocean transportation is of special importance owing to our great agricultural production and the need of finding a market abroad for very much of our bulky surplus product. It has been said, and I think truly, that we have provided railway facilities in advance of the times; and one of our great problems to-day is to know what we are to do with such a great railway mileage throughout the country in view of our sparse population. I am not sure but that it would be wisdom on our part to close up many of the existing railways and eliminate the existing competition for traffic by some arrangement between the government railway system and the Canadian Pacific Railway There is nothing to be gained by an attempt at competition such as we witness every night in the trains which pass out of this, the capital city and elsewhere. We see one train lined up on the tracks of the Canadian Pacific Railway and another on the tracks of the Canadian National, both westward bound, competing with each other for traffic, both leaving at approximately the same time. It would be much more in the public interest if one would leave several hours in advance of the other, or, better still, if this competition could be lessened. This kind of rivalry for traffic and not in service in the same territory does not appear to me to be good business. I know the Minister of Railways is conscious of the difficulties which underlie a solution of this problem; but the need is so great that even he must be convinced that something will have to be done soon to bring about a better condition of affairs.

The contract with Sir William Petersen now before the House must have been a great surprise to the people when it was announced. Announcement has been made in the past of other projects which might be compared to the present one. Hon. gentlemen will recall the announcement in 1903 or 1904 of the determination to build the Transcontinental railway. The people were repeatedly informed that the actual cost in cash to them of that project would not exceed thirteen or fourteen million dollars at the outside. This was the estimate of the total cost of the enterprise to the country which was given to the public, and a great many people in Canada accepted the statement. Now when we look back—not so very far back because twenty years is not a very long period in the life of a country—what do we find? Was the cost to the country of that railway confined to thirteen or fourteen million dollars? No, but a debt of half a billion dollars has been placed upon the shoulders of our people as a result of the carrying out of this much vaunted project which dazzled the imagination of many people twenty years ago. We should not forget facts such as this when we are asked to commit ourselves to an undertaking such as the government has now placed before us. An analysis of the arrangement as close and as keen as is possible will therefore be in the public interest because under the circumstances in which we now find ourselves we cannot afford to experiment with any proposition which is in any way open to doubt. Before committing ourselves to such an enterprise we must be reasonably assured that the expenditure sought will accomplish the results which its promoters claim.

That being the case I wish to point out the steps which have been taken by the government in order to arrive at a solution of this matter. Two years ago a special committee of this House was appointed to inquire into agricultural conditions. Nineteen members

were appointed on that committee. They held something over eighty meetings, and they did not devote, or could not possibly devote, much attention to anything else. The hon. member for Brome (Mr. McMaster) was appointed chairman of that committee. He is not in his place this afternoon, but as a member of that committee I want to say that he devoted his whole attention to obtaining information regarding the work which that committee had been appointed to perform. He devoted himself very assiduously to his duties, and I believe he did not very often attend the other committees of the House; it was impossible for him to do so; as chairman of that committee he was not as free for other activities of the House as were other members on that committee. The hon. member for Brome, when speaking the other day on the question now before the House, referred to some evidence given before that committee and also to a statement made by a previous speaker that he did not take their report in perfect faith, that the finding of the committee was not so definite that it should be accepted without some further information. He argued that that was a reflection on the members of the committee, that the patriotism of those members was impugned by the reference which had been made to the work of the committee, because, he pointed out, the report of the committee was a unanimous one. I do not wish to take exception to anything that was done by the committee, but I can say that, so far as I am concerned, I never saw the report referred to nor heard of it until after it was printed, long after parliament prorogued. It appears a meeting of the committee was held when this fifth report on ocean rates was brought before the committee on a Monday morning, the 18th June. Parliament prorogued about a week afterwards. A fourth report was submitted and adopted on the morning of Monday April 23, when this matter was referred to in a general way. So far as the fifth report on ocean rates was concerned, I never saw it and never heard of it until it was printed after the prorogation of parliament. I was not present at the meeting at which it was passed. It was called on a Monday morning, near the end of the session, and that may account for my absence. I did attempt to attend the meetings of the committee as well as I could. During that session I was a member of another committee in connection with redistribution, and it was impossible for me to always attend both committees. In the seventh and last report of this committee, to which I referred last night, when the hon. member for Lunenburg (Mr. Duff) was speaking, hon. members will find that the committee admitted the impossibility of digesting the evidence which was taken before the committee in the time at their disposal. In this their last report they say:

> Your committee have held eighty sittings on forty-five separate days, have heard the evidence of one hundred and three witnesses and have had two hundred and twenty-three exhibits filed with them; but have not been able to make a complete inquiry into the matters submitted to them under the order of reference.
>
> In view of the important and widespread information collected during the sittings of your committee and the impossibility of digesting and properly weighing the evidence in the time at their disposal before prorogation, your committee respectfully recommend that a similar committee be appointed at an early period of the next session of parliament.

This resolution was carried and is the last report of this committee, from which you will see that the committee did not deal with the evidence obtained except in a general way that could not be considered as final. The view of the committee was that a similar committee should be appointed at the following session. What happened at the following session? Did the government act on the report of this committee? Did they appoint a similar committee? During the following session were they anxious that this evidence which had been obtained should be analyzed, supplemented and made available in concrete form for the members of the House? No; they allowed the session to pass without anything being done in that regard. I have one volume here containing the evidence, and there is another volume as large as this one, containing somewhere in the neighbourhood of twenty-two hundred pages of evidence and other matter. The committee was appointed to investigate agricultural conditions. But what about the question of transportation? Transportation might be connected, and undoubtedly is vitally connected, with agricultural conditions. But this committee was appointed for the purpose of investigating agricultural conditions; and while it is true they did devote considerable attention to railway and ocean transportation, there was nothing final or conclusive in what they did in their respect.

I am pointing this out because the government a few days ago were contending that this agreement which they have made with Sir William Petersen has been based upon the findings of this committee appointed in 1923. It is true that a year ago they appointed an investigator or a commissioner—I do not know whether he was a commissioner or not, at any rate he was appointed by order in council to investigate, or assist the

minister in arriving at an understanding as to whether there was an ocean combine, and if so the best method to pursue regarding it. But I notice that while the members on the government side of the House, started out proclaiming what they declare to be a fact, that the Preston report was based upon the finding of the Agricultural Conditions committee, yet the Prime Minister at the opening of this session did not make that statement but said it was based upon the report of the commissioner who had been appointed and that the report of that commissioner would be placed before parliament. To-day we find that the members of the government and the supporters of the government do not make any reference to that report. When the Minister of Trade and Commerce introduced this measure he merely incidentally referred to the report which is known as the Preston report, but based the measure upon the report of the special committee on Agricultural Conditions. A few weeks before, in speaking of the matter in the debate on the Address the Prime Minister stressed the importance of the report which would be placed before the members of this House. Why has the change taken place? Why did the government shift their ground? Are they not prepared to stand by the report which has been submitted by their investigator? And what is the reason they have changed their tactics in regard to that matter? The hon. member for Lunenburg (Mr. Duff) last night started out by saying that it was based on the report of the committee appointed to inquire into Agricultural Conditions, but he did not pursue that phase of it, after I pointed out the recommendations of that committee, and he ended up by saying it was based on other evidence which the government had obtained. Why is the government not frank with the members of the House? Why not tell us in a straightforward manner on what evidence they have based this contract with Sir William Petersen, and what it is, rather than misleading us, as they have evidently endeavoured to do, by several speakers on the government side of the House pointing out the importance of the finding of the committee appointed to inquire into Agricultural Conditions rather than on that of the commissioner who was appointed to investigate this matter.

A year ago when the estimates of the Department of Trade and Commerce were under consideration, an item of $10,000 came up. The minister did not inform the House what it was for; but incidentally, on this item of $10,000, it came out that provision was being made for somebody to go over to the Old Country to investigate the question of ocean transportation. When I found out who was being sent over, I took the stand that W. T. R. Preston was not a suitable man for that purpose; that the very fact of his past record in connection with shady political matters unfitted him for so responsible a position. I pointed out that any report which he might make would not have the influence or command the attention or confidence that a report made by the minister or some official of his department would command. Hon. members to my left—the Progressives—would not heed my protests; they apparently did not attach much importance to them. The minister himself stated that he did not listen to my protests and that he was not going to be drawn into a mud-slinging contest over a matter of this kind; that it was only a small item anyway, $10,000, and that this man was expected to finish the work inside of six weeks or two months at the outside. What happened?—I am referring to this for the benefit of my Progressive friends to my left. I quoted then from a letter sent by this man Preston when he was Superintendent of Immigration Overseas to Mr. Thomas Southworth, who was Director of Colonization in Ontario. When I mention those two names in the same sentence, I want to point out that I do not believe Mr. Thomas Southworth was in any way connected with any of the nefarious schemes that Mr. Preston was suggesting. He was not the kind of man to be connected with anything of that kind. I say that in justice to the memory of Mr. Thomas Southworth who has passed away. What did I state on that occasion? I read a letter from W. T. R. Preston, to Mr. Southworth, dated October 18, 1901, that has been cited in this House repeatedly, and elsewhere, and that has never been disputed as being correct. I am going to quote only a part of it in which W. T. R. Preston pointed out to Mr. Southworth:

> I know all you people are terribly afraid of the foreign element. Upon that point I don't agree with you and have no hesitation in saying that a good class of foreigners scattered about the old parts of Ontario will do very much more towards preserving a proper agricultural population than those from England for instance. Politically speaking I believe the introduction of a hundred families or so into some of those close ridings with the connection which could be had and maintained here would easily preserve for us many doubtful seats in that province.

The man who wrote this letter was being paid out of the public treasury of this country and was supposed to be working in the public interest. As superintendent of immigration yet he was engaged in a nefarious scheme of this kind. Why was he so anxious that men from England should not receive the prefer-

ence rather than the Doukhobor from Russia? Why did the hon. member for Saltcoats (Mr. Sales) and the hon. member for Red Deer (Mr. Speakman) who has just taken his seat, say that they did not attach any importance to that matter? They said if the government appoint a man like that, they must accept the responsibility. It was pointed out that if they consented to the appointment of a man of that kind who would suggest that a Doukhobor was preferable to a man from England in this country, they must accept the responsibility. I moved to strike the item out of the estimates, and hon. gentlemen to my left voted against me in that action. Consequently, they are responsible to-day for the man who was appointed to make this investigation, the man who was identified with the company who were obtaining a bonus of £1 for every Doukhobor who was being brought over and not receiving anything for the men who were being brought here from England. Other companies, it is true, were receiving a bonus of seven shillings and sixpence for an Englishman or an Irishman or a Scotchman, but the North Atlantic Trading Company were receiving £1, or $5, for a Doukhobor, a Galician, or a man from continental Europe. That was the kind of man this government appointed to bring in a report that is hoped to command the respect and consideration of the people of Canada.

I might read the contract made with the North Atlantic Trading Company under which this bonus, should he place a hundred families in close constituencies of Ontario, would be paid to that company. There is nothing contained in it that ensures that the company would have been instrumental in bringing those people to this country, but the government were obliged to make a return to this company showing how many people were coming from continental Europe to this country, and the company were to be paid monthly a bonus on every one of those who said they were going on to farms or into domestic service. North Atlantic Trading Company! We have heard so much about the North Atlantic companies in the last twenty-five years that I wonder how hon. members opposite would dare to propose another scheme on the Atlantic with Preston the chief actor. Sir William Petersen in 1897 made a contract with the government of that day to establish a fast steamship line on the Atlantic, a line of boats with a speed of about fourteen knots per hour. He was to receive a subsidy of $500,000 per year in connection with that contract. The government of that day boasted about the contract they had made and claimed that there was a proposition made by the government which had preceded them to give the Allan line $750,000 per annum, for a similar service, although a much better one. Sir William Petersen's company, it is true, put up bank securities for £10,000 and they also made a cash deposit of £10,000 with the government. But what happened? Did they go on? Did they build the fast Atlantic steamship line? They did nothing of the kind. A contract was made with Petersen, Tate and Company in 1897. In 1899, they were released from their contract. Do not forget the year in which they were released. They were released also from the security which they had given to the bank, and in 1903 they were also handed back, with interest, the £10,000 which they had deposited with the government of that day. I wish to draw the attention of the House to a debate which took place in connection with the motion of the Minister of Finance (Mr. Fielding) on that occasion to repay Petersen, Tate and Company the amount of their deposit with interest at three per cent, $56,540. In the debate which took place, I notice that after an explanation by the Minister of Finance, the hon. member for Gaspé (Mr. Lemieux) asked the question:

> Mr. Lemieux: Am I to understand that the deposit of $50,000 was remitted?
>
> The Minister of Finance: That is what we are proposing; that is the purpose of the vote now under consideration.

Mr. Osler then spoke. He pointed out that the class of ships they proposed to build were not satisfactory; they had to spend a lot of money on one boat which was known as the bottle-necked design, and the Petersen people, after finding out that the design they proposed to build was not likely to be a success, and in fact was a failure, were anxious to get out of it. The Minister of Finance then spoke:

> The Minister of Finance: I do not think this ship has been proved a failure. Very eminent naval architects have certified that the ships would serve the purpose for which they were designed. The difficulty was not in the class of ships, the difficulty was the financial one. The financial men were not making so much money out of it as they thought they ought to make, and could not go ahead.
>
> Mr. Lemieux: Is the hon. gentleman (Hon. Mr. Fielding) aware that there are some claims against Mr. Petersen about that deposit? Are there not some claims filed in the department?
>
> The Minister of Finance: I have no recollection of them. I must not contradict my hon. friend (Mr. Lemieux) but I do not remember any.
>
> Mr. Lemieux: Mr. Petersen employed attorneys and refused to pay them and they filed claims. I was asked to warn the hon. minister not to pay Mr. Petersen until these payments were settled.
>
> The Minister of Finance: I will inquire into it.
>
> Mr. Lemieux: I would file a claim for one gentleman—

The Minister of Finance: If the claim has not already been filed, I am afraid the hon. gentleman (Mr. Lemieux) will find it too late.

This naturally caused some comment in the House. I have here a question that was put on the order paper by the then member for West York, Mr. Wallace, inquiring whether there had been a communication with Mr. William Petersen with regard to the signing of the contract in 1897, and also whether Mr. Petersen was a German. The Minister of Trade and Commerce of that day, Sir Richard Cartwright, replied that he had not heard of any such rumour, but he understood that Petersen was a Scandinavian. It may be of interest to know what Sir William Petersen's origin is, because I understand that no reference is made to this in Who's Who. In the years that followed, there was a lengthy debate on the Petersen-Tate contract with the government. We find the subject dealt with in 1897 and 1898—several times in the latter year—and in 1899; in different volumes of Hansard, all the way down to 1903, when the refund was made to Petersen, Tate Company In the present instance Sir William Petersen possibly felt that it would be better, in making a contract with the government, not to put up any deposit; it would save the inconvenience of having it returned to him later on if he did not fulfil his part of the contract. It is rather remarkable that he was released from his contract with the government for the Atlantic fast steamship service the very year that Mr. W. T. R. Preston was sent to England by the government to take charge of the immigration service. Before the end of that year, that is to say, in November of 1899, the North Atlantic Trading Company was organized, and after it had drawn $360,000 out of the treasury in bonuses for the people to whom I have referred, who were coming out to this country, the items contained in the Auditor General's report for this purpose caused an inquiry to be made by the parliament of that day, with the result that those who were identified with the organization of the North Atlantic Trading Company were brought over here from England to give evidence before a committee of parliament. Mr. Smart, who was Deputy Minister of the Interior, when the contract was made, but who afterwards resigned and went into the employ of the North Atlantic Trading Company, was also brought over but he refused to divulge who comprised that company. Mr. Preston was also brought over and he too refused to say who constituted the company to whom this $360,000 had been paid. Motions were moved in the House to have these gentlemen brought before the bar of the House and compelled to give this information, but these motions were voted down by the government supporters of that time.

In 1906 Sir George Foster, then member for North Toronto, moved in the House to have the contract cancelled, and during the debate that ensued on his motion he was informed by Mr. Oliver, the Minister of the Interior, that the contract had been cancelled. The minister was asked when this had occurred and the information disclosed that it had taken place about two weeks before the time of its debate. No satisfactory explanation was given for the cancellation. They had a contract with the government extending over a period of ten years, eight years of which had still to run, when the contract was cancelled. When the first arrangement was made in 1899 it was not even by order in council; the arrangement was made on the strength of a letter from the Deputy Minister of the Interior addressed to the North Atlantic Trading Company, and Mr. W. T. R. Preston accepted the proposition on behalf of the government. The North Atlantic Trading Company ceased to function in 1906 and a motion was made the following year to have a further investigation made. But this was burked also by the government. I am referring to this matter because there has been a strong suspicion in the minds of some people that some of the steamship companies in some way obtained a rake-off in connection with the immigration which came to this country at that time. I believe that Sir William Petersen has been cabled to to come here in connection with the inquiry that is to be held, and it may be that he can throw some light on the operation of the North Atlantic Trading Company at that time.

I do not wish to labour the matter further, and I would not have referred to it again out for the stand I took on this matter a year ago when I made on the floor of the House statements which have so far gone unchallenged. No attempt has been made to refute a single statement I made in connection with this matter either a year ago or during the present session. There are members of the government who must have some knowledge of what occurred in those years, and I hope that before the end of this debate some of them will undertake to give an explanation as to why, of all the men in the Dominion of Canada, this particular individual, W. T. R. Preston, should be selected to submit a report on a question of such importance as the one under consideration. I pointed out a

year ago that I was conscious of the fact that transportation was one of the biggest problems we had to deal with in this country. Excessive costs of transportation are absorbing the profits of business, and this fact and the high wages paid, together with other conditions of an adverse nature, are responsible for the exodus of many of our agriculturists from the farms and for the general unsatisfactory condition of affairs that prevails. But, nothwithstanding all protests and the motion I moved in this House, this man was selected and his report, bearing date December 31, 1924, has been submitted to parliament. The contract with Sir William Petersen which is now under consideration was made twenty days before the Preston report was submitted. I noticed in the Manitoba Free Press, a few days ago an intimation that the contract was entered into during the summer—quite a long time ago. This journal says:

> As to Sir William Petersen, his difficulties seem to be the result of the change in government which took place in England last autumn. The contract with the Canadian government was entered into in the summer when the government of Ramsay MacDonald was in power. The Labour party in England received Sir William's overtures for assistance in very friendly fashion, and it is said he had arranged for an advance under the Trade Facilities Act before the contract was signed.

Surely the Minister of Trade and Commerce (Mr. Low), instead of assuming a defiant attitude when addressing the House on this question might have been frank in his statement, and I am confident, if he had, a good deal of this discussion would have been avoided. But he pursued the very unusual course of stating that the government were not accepting responsibility for the contract, although he said it was a cast-iron one. Cast-iron is not a very flexible commodity, you cannot make any impression on it by squeezing, you cannot pare it; you can only alter it by breaking it. The minister stated he was going to ask that this cast-iron contract should be submitted to a special committee of this House. It is most unusual for a government to submit their policy to a special committee and be unable to alter it if deemed advisable. I do not think any hon. member has ever heard of such a proceeding before. My hon. friends to the left may say, "Oh, but this is the democratic way of doing things." Well, it may be democratic according to their views, but I venture to say that it is not in accordance with British parliamentary practice and procedure. All that this contract lacks is the ratification of parliament. Having entered into the contract, why do the government not assume full responsibility, submit it to the committee of the Whole House and have it dealt with in the usual way? The majority of hon. members will not be in a position to know what is going on in the special committee, and the whole scheme will all have to be gone over again, for each member of the House is entitled to know everything about this contract as well as the members of the select committee to be named. Does the minister not know, do the government not know, what arguments they have to advance to justify the ratification of this contract by the House? Is it necessary to inform the House through a special committee, to call witnesses before that special committee, and then put all the other members of this House to the trouble of seeking information from the members of the special committee? It has always been customary in the British parliament to place the fullest information on any subject before the people's representatives. But it is significant that the government have apparently abandoned the W. T. R. Preston report, and they are not today even relying on the report of the special committee of two sessions ago, on agricultural conditions, for the hon. member for Lunenburg (Mr. Duff) last night took great care in the latter part of his address to point out that the contract was entered into as the result of some other information which the government had obtained, not because of any information they derived from those sources first referred to. That being the case, why do the government not submit the contract to the House? Then if conditions such as those referred to in the Manitoba Free Press and elsewhere are responsible for a change in the contract, let the government make a new contract with Sir William Petersen, if necessary, and submit it to the House in the usual way. Why all this humbug about a special committee taking evidence and hearing argument, if the government are not going to make a change in the contract? I venture to state that, in view of the nature of the contract, if it is referred to a special committee it will not come back to this House in time to be dealt with this session. And I think the government would now welcome such a fate for the measure. Last night the Minister of Agriculture (Mr. Motherwell) attempted to deal with this question. And how did he deal with it?

Mr. GRAHAM: Splendidly.

Mr. SUTHERLAND: Well, if any members visited a vaudeville show in the city last night they missed a treat in this House, because had they been in attendance they would have seen a real vaudeville entertain-

ment. I doubt if ever before a minister of the crown adopted a similar attitude on an important question of government policy to that of the Minister of Agriculture last night. I believe the Minister of Railways (Mr. Graham) is to speak on this question to-day. I hope that he will deal with it seriously; he understands the difficulties with which this country is confronted, difficulties which the advocates of this contract have already admitted. But the annual subsidy of £275,000 may not be the ultimate expenditure on this project, because it only requires the sanction of the Minister of Trade and Commerce (Mr. Low) to increase it without limit. For instance, he may think it advisable to have twenty ships, or to increase the number to forty, maybe to sixty, or even to a hundred ships; it is impossible to foresee what obligations we may be assuming if we ratify this contract. Our obligations under the Transcontinental railway legislation of 1904 may eventually prove a mere bagatelle compared with the possible expenditure on this project. Unfortunately the government do not appear to be conscious of the responsibilities which they are placing on the country and of the difficulties which confront the people to-day. We need to exercise the greatest possible degree of economy, and everyone knows that we cannot regulate ocean rates with any ten small ships that the government may subsidize.

But what about our own Canadian merchant marine? "Oh," the Prime Minister says, "they are no good." That is the frame of mind of a lot of people in this country with regard to anything the people possess. Our government-owned railways, according to some people, are of no use. I do not believe that it is possible for a government to do anything as well or as efficiently as a private individual or company can, but the railways now forming our national system were becoming bankrupt one after another, they were tumbling into our hands, and the government of the day had to make the best of a difficult situation and take them over and operate them. We have the Canadian merchant marine fleet of sixty boats. What did the Liberal party do when they had their national convention in this city in 1919? Were they not condemning the then government for not having done more than they did in providing for ocean transportation? I would point out, Mr. Speaker, that according to the report I have before me the Canadian Government Merchant Marine does not look so very bad when compared with the ships to be provided under the contract with Sir William Petersen. I think the hon. member for Brandon (Mr. Forke) was not correct in his summary of the tonnage of the Canadian Government Merchant Marine. There are forty-two boats in the service of over 4,500 tons each; there are thirty-two of these over 5,000 tons; there are twenty-six of over 8,000 tons, and there are two of over 10,000 tons, or a fleet of 60 in all. And yet the government proposes to give a subsidy of £275,000 for ten boats of 5,000 tons each. "But oh," they say, "they have a different type of engine to compete with them." Yes, and the old bottle-necked boats of the trans-atlantic service contract of 1897 were supposed to have advantages over all the other boats that were then in existence, but they did not turn out that way. It is just possible that Sir William Petersen's claim for the superiority of these boats will fall just as far short of fulfilment. In the first place, he has not the boats. True, the contract shows that one or two of them are now under construction—on the strength of a contract which is now to be referred to a special committee of this House. That indicates how much confidence the government have in their ability to put this measure through the House.

In connection with the government merchant marine, some evidence was taken by the committee on Agriculture in 1923, and I think there is a misapprehension in the minds of some people as to the evidence that was given before that committee. Mr. Cunningham, traffic manager of the Canadian Government Merchant Marine, was examined on March 21, 1923. His testimony was in part as follows:

By the Chairman:

Q Mr. Cunningham, in looking over this file I felt that we should have further information on this point: Are the different lines in Montreal members of the north Atlantic conference?—A. Yes, sir.

Q. I think you have said on several occasions that in attending this conference the Canadian Government Merchant Marine did not obligate itself to maintain the rates. Is that right?—A. In sitting in at the conference the Canadian Government Merchant Marine reserves the right in the interests of Canadian exporters to independent action if necessary.

Q. That is well understood between yourselves and the other lines?—A. Yes, sir.

That does not look as though it was almost a criminal offence for the traffic manager of the merchant marine to know what the other steamships were doing. How in the world could a steamship line be managed otherwise? It is alleged that the government merchant marine did not cut rates; that they stood in with the others; that they took the part of dumb spectators and allowed the conference to fix the rates and charge whatever exorbitant rate they pleased. Now

let us see what was said on that point at the hearing to which I refer. I quote from Mr. Cunningham's evidence:

Q. I think you said when you were here the other day or yesterday that you had departed on certain occasions from the rates fixed by the Canadian Liner Committee, and my impression is that you said that it would average about once a month, the departure from the rates. Am I right?—A. The way the question was put perhaps would indicate that we averaged once a month, but what I meant to convey was that the total number of times or the total of shipments accepted might in the aggregate amount to, in three years, thirty-six times.

On thirty-six occasions they disregarded the rates established by this conference, in an attempt to meet the views of the people. The witness was also asked regarding some of the commodities upon which a reduction had been made. One of them was meats, on which the rate was reduced from $1.50 to $1.25. Another was leather. I quote:

You just told us about three of those discussions in the four years you have been operating. Tell us in what respect you have battled for lower rates, and in regard to what commodity?—A. I remember sole leather in rolls was one where we arranged to meet the shipper's wishes in making a very drastic reduction.

Q. Did you get your assocation to comply with that?—A. Yes.

No interference—the conference did not interfere with them, although they made a reduction.

Q. What was the drastic reduction?—A. I think it was from $2 to $1 per 100 pounds.

Anyone will admit, I think, that that was quite a reduction—the rate was cut in two.

Mr. MEIGHEN: Was there any complaint as to the quality of the ships?

Mr. SUTHERLAND: No.

How many shipments did that cover?—A. Well, unfortunately after the rate was reduced we did not get any shipments.

What could the traffic manager of the Canadian Government Merchant Marine do under those circumstances? He cuts the rate by fifty per cent, yet the traffic goes to the other people. He was asked:

Q. Why did it go by other lines?—A. The shipper's privilege.

Will the government undertake to coerce people to send their shipments by these subsidized boats if the rates are reduced? Well, here was a reduction of fifty per cent, yet they did not get the traffic.

Something was said before this committee also with regard to cattle, and the explanation was that the government boats would require some alterations to make them as efficient for the carrying of cattle as some other boats were. There is no reason why that should not be done. It is true that the merchant marine did not devote much attention to carrying cattle, because, as Mr. Cunningham pointed out, there was not any money in it; they had to be carried at a loss. Mr. Cunningham also showed that this conference had exercised no control whatever over grain of all kinds, flour and cattle; these were outside the scope of the conference. And we are asked to believe to-day, on the basis of the reports and everything that is being said, that the Canadian Government Merchant Marine are a party in a combine to increase rates. The Prime Minister was asked why they had not taken the merchant marine out of the combine and made it compete with them.

5 p.m.

Mr. MEIGHEN: Was there any evidence given at the hearing to the effect that cattle, grain or flour were under the control of the conference?

Mr. SUTHERLAND: I could not answer that, but according to Mr. Cunningham these shipments were not under the control of the conference.

Mr. MEIGHEN: Who is Mr. Cunningham?

Mr. SUTHERLAND: Traffic manager of the Canadian Government Merchant Marine. A tremendous amount of evidence was taken, much of it of a contradictory nature. That is why the hon. member for Brome (Mr. McMaster) and the committee were anxious that the committee be formed at the following session, and if the government had done the proper thing, the thing that would have commanded the confidence of the people, they would have acted on that recommendation. Had the same committee or a similar committee been appointed last session there would not be the suspicion there is in the minds of the people to-day with regard to this agreement entered into without competition—an agreement which, while supposed to have been made on the report of the commissioner, was, according to its face, entered into twenty days before his report had even been mailed to the government.

The government are in a very favourable position to deal with ocean rates owing to the fact that we have a great system of government railways. These railways are under the control of the railway commission and they can utilize the boats of the merchant marine in a way that would not be possible if the country were not operating this extensive system of railways. Why subsidize another line of boats and have it enter into competition with and

help to destroy the usefulness of the government merchant marine? It seems to me that that would be the effect of the government's proposal; I cannot gather any other deduction from it. Here we have sixty boats, many of them double the capacity of the boats that it is proposed to subsidize. In view of the increasing liabilities in connection with our railway system I think the government should be very careful about entering upon the enormous expense involved in this proposed scheme.

I started out by referring to what the Prime Minister said in the debate on the Address in connection with this matter. It was also referred to in the Speech from the Throne where it was said:

> With regard to ocean freight rates, action is being taken to overcome the restraints on export trade due to the exactions of the powerful steamship combine known as the North Atlantic Steamship Conference.

Note the words "due to the exactions of the powerful steamship combine known as the North Atlantic Steamship Conference". I do not think the Minister of Railways will argue that a conference is not almost a necessary thing in connection with the operation of steamship lines. If a combine does exist then I think steps should be taken to deal with it; but I venture to predict that the arrangement proposed by the government will not accomplish anything. Some few years ago the government passed legislation for the regulation of rates on the Great Lakes; but afterwards had to abandon it and almost beg American shipping companies to come in and ignore it. They had to draft a provision to indemnify these companies in any action that might be brought against them for violating a Canadian statute. The statement made by the Prime Minister during the debate on the Address was as follows:

> This House will be favoured shortly with a report which I think it will find illuminating on the subject of this combine and its control of rates across the Atlantic.

What report was he referring to? Was it what is known as the Preston report, or was it not? I think some one should make that point clear. He goes on to say:

> Hence we contemplated the step referred to in the Speech from the Throne which will be announced in detail to parliament in due course, and which we hope will be a further factor in helping to solve our great national problems. We hope so far as our effort in this regard is concerned, that the Canadian government will not have to battle alone, but that it may look to the governments of all the other self-governing dominions, and to the government of the Mother Country itself, to co-operate with us in fighting this great combination that exists on the Atlantic, to the detriment not only of Canadian trade but the trade of Australia, South Africa, New Zealand—

[Mr. Sutherland.]

And so on. I wish to point out that as the debate progressed it was quite apparent that the Prime Minister has changed his mind considerably with respect to this being a cast-iron contract. It is liable to be changed if it goes to a committee. I think the government should explain why it is necessary for them to change their views with regard to this matter and, that if Sir William Petersen is not prepared to carry the contract or an amended contract, they will take the House into their confidence to that extent. I have repeatedly stated, in connection with the estimates submitted to the House, that it seems to be absolutely necessary to practically pry any information out of the government on any question where sums of money are to be voted. The present arrangement is one that involves a large sum of money, much greater than most people realize, too large an expenditure for the people of this country to make under present conditions unless the absolute success of the enterprise is assured.

I do not intend to speak at further length on this subject. I have endeavoured to touch on a few of the difficulties which the people have to settle in their own minds as to the sincerity of the government in this matter. I think the people are justified in being suspicious of the government's attitude from the beginning. The very fact that they refused to appoint a committee at the last session of the House would indicate that they did not attach much importance to the work that had been done by the special committee in 1923. The fact also that the government appointed a commissioner to investigate or who was supposed to investigate, this matter, a man whose reputation was not such as would justify the government in entrusting such an inquiry to him, is also suspicious. For Mr. Preston is well known for his connection with election scandals and other suspicious transactions which transpired in the past, things that might well have been forgotten were it not for the determination of the government to keep him in the forefront by identifying him with arrangements of this kind. I should like to know what special qualifications this party ever had to justify his appointment to such a position in connection with this contract? Surely the government cannot afford to sit dumb and have these challenges hurled at them time and time again?

Mr. MOTHERWELL: I will answer that question if the hon. gentleman wants to know. Mr. Preston was appointed for this purpose because he was a good mouser.

Mr. SPENCE: Kindly explain that.

Mr. SUTHERLAND: I do not understand.

Mr. MOTHERWELL: Does not the hon. gentleman know what a mouser is?

Some hon. MEMBERS: Louder.

Mr. MOTHERWELL: I say Mr. Preston was appointed because he was a good mouser —m-o-u-s-e-r.

Mr. SUTHERLAND: We are getting a little information, anyway, after a long delay. We now understand this man was appointed because he was a good "mouser." According to my observations of the feline tribe, a mouser generally eats the mouse when he catches it. I would hardly expect the Minister of Agriculture to be serious. Because he is a good mouser! Some hon. members of this House may be curious to know a little more about this expert mouser. He has been nosing around here so long that his scent must be very keen. I have an index here to a few of the references which have been made in the House of Commons to this expert mouser. It does not go back beyond 1899 but in volume three of Hansard of that year at page 6938 a reference is made to him. At page 8570 there is another reference. I am not going to mention the matters that were referred to, but they are all connected with the suspicious activities of this expert mouser. Again in volume three of Hansard, page 8570, occurs another reference. A question was asked as to what salary the government were paying this mouser, and the answer was $3,000 per year and expenses. That was the time, it will be observed, or shortly before it, when he was engaged in the work of bringing "those 100 families of foreigners out to those close constituencies in Ontario." And when he was connected with the North Atlantic Trading Company and that company were receiving five dollars per head for the Doukhobors and other immigrants from central Europe. In the same volume three, at page 8574 hon. members will find a reference to the money that was being spent on this same individual. In the same volume at page 8574 and 8575, the same year, we find another reference. Then at page 8578 to 8618 we find a lengthy debate in connection with the matter at that time, and the motion was that Mr. Preston's services be dispensed with. A debate followed and the motion was defeated. A further reference will be found at page 8618 and a further reference at page 10,214, The motion was that he should be dismissed on account of his conduct in the West Elgin and other elections. That motion was defeated, as will be seen at page 10,217. In 1901 we find an inquiry by Mr. Wilson as to Mr. Preston's return to Canada, why he came and so on, and a further reference at page 4820. In the same year, 1901, at page 4819, a reference to his operations will be found. There is a further reference also to be found at page 4819 to page 4842 in the Debates of 1901. In 1903 the matter again cropped up. At page 10,712 and 10,713 a further reference to him will be found. In volume five, 1903, at page 11,184 and at page 12,220, references are made to Mr. Preston being in court and being sued by the Canadian Employment Bureau. Then in 1904, volume four, page 6014 and 6015, Mr. Clarke, the member for Toronto, called attention to a letter in the Times, London, June 18, 1904, with regard to the difficulty between Lord Dundonald and the Canadian government signed by Preston, and a debate followed, pages 6551 and 6552. In 1904 volume four, at pages 7817 and 7818 we find a further reference. In 1905, volume one, page 452 there is an inquiry with regard to salary, expenses and other matters. In 1906, volume three, page 4451, we find a motion by Mr. Monk that Mr. Preston be summoned before the House for having refused to answer questions regarding the North Atlantic Trading Company. Hon. members will find the debate between that page and page 4535. There is a reference to the matter also on page 4534. In 1909, volume four, page 5656, Mr. Borden inquired:

When was Mr. Preston removed from Japan to Holland?

To which Sir Wilfrid replied that he was assigned to Holland within the last month.

Now it was necessary, in view of the scandal connected with the refusal of these government officials to divulge who had received the $360,000 to cancel the contract, and Mr. Preston was sent out to Japan, just as far away as they could send him, and he again got into difficulties in Japan.

In 1909, volume four, page 6657, we find a reference by Mr. Reid and Mr. Ames to complaints of Mr. Preston's conduct while in Japan, and in the same year, volume four, page 5999, Mr. R. L. Borden referred to complaints as to the conduct of Mr. Preston in Japan.

Then in 1907-08, volume one, page 360, Mr. Foster inquired:

(1) When did Mr. Preston leave the immigration work in England?
(2) (a) What has he since been engaged at? (b) Where? (c) What salary? (d) What expenses?

Mr. Frank Oliver replied as follows:

(1) October 26, 1906 (2) (a) and (b): Was appointed Canadian trade commissioner to China, Japan and Korea, August 31, 1906.
Assumed office October 27, 1906—(c) $3,948.39, $2,702.48, including $1,034.70 living expenses at Cape Town.

Then in 1909, volume one, page 186 of Hansard, January, 27, 1909, we find a question by Mr. J. D. Reid, as follows:

Has the Kobe foreign board of trade of Japan forwarded a memorial to the government protesting against the actions of Mr. Preston?

Then we have the reply by Sir Wilfrid Laurier in the affirmative. They had protested against them. We have a further question by Mr. Reid as follows:

Is the government aware that the Japan Weekly Chronicle in its articles declares Mr. Preston is really outrageous in his statements and insinuations against foreign merchants and asks for his recall?

And Sir Wilfrid Laurier answered no.

Mr. Reid asked if the government had taken any action, and Sir Wilfrid replied no.

Then in 1909, volume one, page 480, February 3, 1909.

Again in 1909, volume two, page 3991, April 5, 1909, Mr. Ames inquired:

(1) Does Mr. Preston still occupy the position of Canadian trade commissioner in Japan?
(2) Has he been requested to return or has leave been granted to him?
(3) Has the government in contemplation the transfer of Mr. Preston, if so, where?
(4) Will the government lay on the table protests from the Kobe foreign board of trade and the Yokohama board of trade re actions of Mr. Preston?

In the debate which followed it showed he had been transferred to northern Europe.

Then in 1909-10, volume one, page 1547-49, December 15, 1909, Mr. Monk made a statement regarding Mr. Preston's connection with the North Atlantic Trading Company and debate followed.

In Hansard of 1909-10, volume one at page 656, we find Mr. McKenzie's motion for copy of judgments in connection with Mr. Preston's suits instituted while in Japan.

In Hansard of 1919, there is a reference to statements published in the press over the name of Mr. Preston re soldiers lying in Flanders Field for no other reason than that they voted for the Liberal party. My hon. friends opposite will remember the insinuations—they were not charges—that were made in the old temporary parliament buildings and how they claimed that they were going to investigate those things when they came into office. Why did they not do so? Why were these slanders made by their representative overseas at that time not investigated when they were placed in office and had the opportunity? Preston was the man who was responsible. The hon. member for North Renfrew, a year ago when I took this matter up, asked why Mr. Preston had been arrested. I will tell my hon. friend to-day that I did not know then why he was arrested. He was arrested for going into military encampments and interviewing the soldiers where he had no business to be without permission. He was arrested as a suspect and locked up, but was released when he explained who he was—an agent of the Liberal party. He was mousing around again.

In 1922, Mr. Guthrie asked for facts in connection with an item of $1,509.95 for rent of house leased by Mr. Preston in England prior to 1911.

There are further references to Mr. Preston in the following Hansards:

1921. Volume 4, page 3383.
1923. Volume 1, page 206.
1923. Volume 1, page 247.
1923. Volume 2, page 1362.
1924. Volume 1, page 734.

Surely some mouser! I have not referred to these matters because it is any pleasure for me to do so. I could not say that I ever saw the gentleman referred to until he was pointed out to me in the gallery in this House a few days ago, but I did hope that the cleaning-up process which we had in Ontario in 1905 would forever put an end to such scandals as we had then in this country prior to that time. If the government hope to have the confidence of the people of Canada in any scheme that they may have or any measure they may wish to lay before parliament, they will have to appoint someone of a different calibre and with a better reputation than Mr. W. T. R. Preston has. They cannot evade the responsibility in this matter.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, I am sure the House will not expect me to deal at any great length with the ancient feud between the hon. member for South Oxford (Mr. Sutherland) and Mr. Preston. The hon. member has referred to the cost that Mr. Preston has been to this country. I think Mr. Preston's salary would shrink into insignificance when compared with the cost of Donald Sutherland on Preston in parliament.

Mr. SUTHERLAND: Might I explain to my hon. friend that I have here a volume of the Senate Hansard to which I did not refer at all? I touched upon only what took place in the House of Commons.

Mr. GRAHAM: My hon. friend is keeping that until he gets to the Senate, when I suppose he will read everything on Preston that is in the Commons Hansard and everything

that is now in the Senate Hansard and that will be when he gets there. The time, however, is not propitious yet. I will say just this: I leave Mr. Preston to take care of himself. I think hon. members when they meet him in the committee will find that he is quite capable of doing so.

Mr. MEIGHEN ,The Minister of Agriculture (Mr. Motherwell) will help him.

Mr. GRAHAM: He will not require even the help of the able Minister of Agriculture. The hon. member for South Oxford read a letter purporting to be written by Mr. Preston in reference to the distribution of votes of immigrants. It sounds almost like a page out of the War-time Elections Act when, by legislation, the votes of our boys were partitioned out through the Dominion of Canada where they would do the most good to the Tory party. What Mr. Preston, even if the letter be correct, said in that letter, is not a circumstance to what was done in the War-time Elections Act. The letter was the opinion of one man, while the degradation of the electorate of Canada was the combined effort and concerted legislation of a party. I am through with my hon. friend.

This question of transportation, of course, as all hon. members know, is a difficult one and not a new one. I often think, sitting quietly, that the reasons for some of the difficulties of industry, particularly agriculture, are deeper even than transportation, with this explanation only, that exorbitant cost of transportation is one of the nibblers at the success of the agricultural industry. Hon. members have all noticed, when a man brings to town a load of hay, not pressed, just in the ordinary old hayrack, loose, with a binder on top, that every hungry horse along the road takes a nibble at the load of hay. There are people who are sufficiently charitable to their horses and uncharitable to the man who is selling the hay to drive up a team and let them eat at it all along the road. It just strikes me that a comparison can be made there with the different processes that are nibbling at the products of the farm, the mine, the forest and the fisheries from the time those products leave the hands of the producer until they get into the hands of the consumer. In years gone by our great grandfathers took a bag of grain in on horseback to the old-fashioned mill and got back a certain quantity of flour and a certain quantity of the by-product. It was said even then that our friends the millers took quite a bit of toll. A little later the wheat was drawn in and ground and flour taken home with a team—a little advancement. Up to that time there was only one toll. Following that, the wheat was drawn into town and was traded for flour—two tolls. Later on the wheat was brought in and sold and the money was used to buy the flour—another toll added—middlemen in different capacities. This has now reached the point they tell me that when many of our good friends take their wheat into town, they take home not flour, but bread. So that everyone gets a crack at this load of wheat before it reaches its destination. I am taking wheat as an example. Let us follow it from the time it leaves the home of the producer; elevator, percentage; out of the elevator on to the train, percentage; Winnipeg sale, percentage, broker; down to the ship on the Great Lakes, broker; insurance, broker. So that by the time you have got it over the ocean and have paid the freight rates you have paid out a lot in percentages; and when you want to sell the grain finally there is another broker to be considered. I have come to the conclusion therefore that the great trouble with our trade in Canada—and probably it is the same in other countries—is that we have not yet solved the problem of getting the product of the producer to the home of the consumer without incurring a great deal of expense in the transition.

Mr. FORKE: We are getting there out in the west.

Mr. GRAHAM: I was going to refer to that. You have a wheat pool in the west which has been accomplishing a good deal. But after a visit to Europe, after you have seen what Australia and other countries are doing, you must admit that the wheat pool solves the difficulty only at one end of the route; and in my humble judgment there should be some way by which the Liverpool, the Antwerp, the Hamburg market, and the prices which the farmer gets in the west might be more comparable than they are at the present time. We send our product over there; we have several associations all doing good work. But that product has to be handled through another process of brokerage, or whatever you may call it, before it is really sold to the consumer. The same thing applies in a measure to flour, perhaps in as great a measure. This is only a hint I throw out before coming to the discussion of ocean freight rates, because ocean freight rates form one incident, and a not inconsiderable one, of the taxes that are placed on the products of Canada, as of other countries, from the time they come from the soil until they reach the home of the consumer.

In 1903 the question of freight rates by land was taken up in a very practical way,

and what is known as the Board of Railway Commissioners was appointed. Before that time everything depended on the state of mind of the railway companies as well as on the extent of competition. I am a full believer in the work done by the Board of Railway Commissioners, and I believe that we should have been in a much more chaotic state in this country had we not had some authority to which to refer our railway problems. The United States has had an interstate board with, I believe, less authority perhaps than is the case in Canada. They have problems which perhaps are more difficult to solve than ours owing to the fact that their state incorporation and control of railways in the various states is more marked than is our provincial control; for although it is not here a matter of statute, it has become largely a matter of practice that steam roads should be under the Board of Railway Commissioners. But after the Board of Railway Commissioners had settled down to work and had established a basis of rates, the people discovered that no matter how fair a rate might be by land, say from the west to the east or vice versa, it was within the power of the ship owners by increasing rates on the ocean, to nullify all benefits the people might receive by a reduction in the cost of land carriage. For example, if one company owned a railway and a steamship line as well, it made no difference very materially to that company where the rates were placed on land, so long as they could place the rates on the ocean at a point that would make up for all that they lost in railway carriage. And what was applicable to companies owning both a railway and a steamship line was applicable generally, inasmuch as other railways would have traffic arrangements with ocean vessels, by which the two carrying systems could so adjust their rates that, no matter how you might control the land rate, the ocean rate could be so fixed as to wipe out any benefit that the shippers might otherwise receive.

That was found to be the case; at least that was the situation in 1910. In that year I had the privilege of taking up this question of ocean freight rates with the then chairman of the Board of Railway Commissioners, the late Mr. Justice Mabee. Anyone who knew Mr. Justice Mabee and knew of his work as head of the railway board will agree with me that he was a strong friend of the public, and endeavoured to render decisions which, while not being unfair to the companies, would at the same time afford all the relief possible to shippers. I am going to quote at some length from a memorandum prepared by Mr. Justice Mabee on this question, because I want to make it clear that the statement that this subject of ocean freight rates is new is not by any means correct. The problem has been wrestled with by governments for the last fifteen years, but this is the only government that has had courage enough to tackle it. This memorandum was prepared by Mr. Justice Mabee at my request and forwarded to the British government, and I shall read it because I believe it contains information which, coming from a man like him, will be of deep interest to the shipping public and to every hon. member of this House. On February 18, 1910, I wrote the following letter to the present Postmaster General (Mr. Murphy) then Secretary of State:

[Mr. Graham.]

Dear Mr. MURPHY:

I enclose a memo made by the chairman of the Board of Railway Commissioners, at my request, in reference to joint action between the government of Great Britain and the government of Canada respecting the regulation of ocean rates.

Will you kindly bring this to the attention of the home government, so that consultation might be had on the subject, as I deem it very desirable that steps should be taken to control these rates, for reasons which are set out in the memo.

Yours truly,

GEO. P. GRAHAM.

Hon. Charles Murphy, M.P.,
Secretary of State.

The memorandum in question is as follows:

Memorandum showing the necessity for legislative control over ocean rates and facilities between Great Britain and Canada.

For many years in England, in the United States and in Canada, the principle of governmental control over railway rates and facilities has been in active operation. These countries found it necessary, in the interest of the public, to establish tribunals with statutory authority to control the rates or tolls that railway companies charge the public for the carriage of traffic. The legislation in the three countries differs in detail, but the English act forms the basis of the others; the tribunals have different names, their jurisdictions vary in many details, some having wider powers over a greater majority of subjects than others, but over the control of freight and passenger rates upon railways there is a common field of jurisdiction.

In Canada the Board of Railway Commissioners has under the various acts affecting it, namely, 3 Ed. VII, Cap. 37, 6 & 7 Ed. VII, Cap. 38, 7 & 8 Ed. VII, Cap. 61 & 62, 8 & 9 Ed. VII, Cap. 31 & 32, jurisdiction over almost all matters relating to railways (except incorporations), as well as telegraph, telephone and express companies.

The jurisdiction of all these controlling bodies is limited to the land, or land and inland water movement; in other words, the moment that export traffic reaches the seaboard of any of these three countries, government control over its movement is entirely lost.

First, as to the existing conditions regarding the transportation of traffic from Canada to Great Britain; take the shipment of grain from Winnipeg to Liverpool via Montreal and the St. Lawrence route. The all rail haul from Winnipeg to Montreal is 1,414 miles; the distance from there to Liverpool via Belle Isle is 2,760 miles, and via Cape Race, 3,007 miles.

Under the present law, when these shipments reach Montreal, control over the rates and conditions of transportation is lost, the result being that for two-thirds of the total distance the traffic moves at the rates the ocean carriers choose to make. If this grain moves from Winnipeg via Fort William or Port Arthur to Georgian bay ports, and thence rail to Montreal, the inland movement is some 200 miles shorter and control over the through shipment that much less.

If it is wise to control the transportation upon land, why is it not in principle equally wise and in the public interest to control the ocean movement? If the public derives any benefit from the control of the rates affecting the land movement of the above traffic, that being one-third of the distance, it is fair to assume that it would derive much greater benefit if the rates from Winnipeg all the way to Liverpool were under control.

In this connection it may be noted that the government has expended nearly $11,000,000 on the St. Lawrence ship channel; over $1,000,000 on the Montreal harbour; has loaned nearly $11,000,000 to the commissioners of the Montreal Harbour Board; and has large annual outlays for lighting and buoying the St. Lawrence route, and all these expenditures have been and are being made that the cost of carriage along the St. Lawrence route may be cheapened by the elimination of the dangers of navigation. In the last annual report of the Montreal harbour commissioners, it is stated that the St. Lawrence river from the ocean to Montreal is acknowledged to be the best lighted and buoyed ship channel in the world.

It is said that some $750,000 has already been expended upon surveys for the Georgian bay ship canal. It is contemplated spending $100,000,000 or more upon this work. To what end? Cheapening the cost of getting the output of the west to the seaboard. The government is being pressed to take over the control of the elevators at the head of lake Superior; to cheapen the Welland canal; to press along the construction of a line to Hudson bay; all these to what end? Cheapening the freight rate to the seaboard. To what use, if all control over or regulation of the carriers' charges is to be lost the moment the traffic reaches that point? A road to Hudson bay must and will be built. Take Regina as a central point for the shipment of grain and cattle to a Hudson bay port; control over the rates and facilities would exist for about 800 miles, and no control for 3,000 miles upon shipments to Liverpool.

Contracts have been let for the construction of elevators at Vancouver, and within a few years vast quantities of wheat from points as far east as Regina will find their way to the English consumer via Vancouver to Salina Cruz, thence over the Tehuantepec railway (189 miles) to Puerto, Mexico, and thence to Liverpool. The distances over this route are, Regina to Vancouver, 1,127 miles; Vancouver to Salina Cruz, 3,054 miles; Salina Cruz to Puerto, Mexico, 189 miles; Puerto, Mexico to Liverpool, 4,800 miles. Here is a rail haul of 1,316 miles, 1,127 in Canada, the rates over which are under control, and 189 in Mexico, and a water route of 7,854 miles. It is likely no effective control over the portion of this route through Mexico could be worked out; but the portion between Vancouver and Salina Cruz could be—probably the portion of the route between Puerto, Mexico and Liverpool could—as to all grain shipped from Canadian ports—also be brought under a controlling tribunal.

After the completion of the Panama canal Canadian grain from British Columbia ports will go all water to Liverpool the distance to which from Vancouver is, via the Panama canal, 8,800 miles, and the rates over the whole of this route could be controlled, apart from canal tolls, if any.

All that has been said about the movement of grain applies to all traffic moving from Canada to Great Britain, and with still greater force upon all traffic coming from there to Canada, because if from an interior point the rail route there is so much shorter than in Canada.

Applications are continually made to the Board of Railway Commissioners for reduction in freight charges upon export traffic, such as cheese, butter, bacon, cattle, grain and so forth, and every reduction made on the land haul gives the ocean carrier an opportunity to add that to his charges. In a few years' time from 600,000,000 to 800,000,000 bushels of wheat alone will be exported from Canada to Great Britain, and with all the return traffic that such an export business means it will be a sorry day for the people of Great Britain and Canada if it is to be left to the ocean carriers to say what they are to be charged for the ocean portion of the route. The time to obtain control over the rates upon this traffic is while it is comparatively in its infancy, and not after enormous development has taken place and shipping trusts of all kinds have grown up. Had the United States established a railway commission thirty years before they did, they would never have had the abuses they have, since its establishment, been endeavouring to cure.

Express traffic is increasing rapidly. There are demands from all over Canada for reduction in express tolls. Take this illustration—a package is sent from England to Winnipeg by the Dominion Express Company, which is owned by the Canadian Pacific Railway Company. This package comes over the Atlantic in a Canadian Pacific Railway steamer to Montreal; thence over the Canadian Pacific railway to Winnipeg. What is the use of reducing the toll from Montreal to Winnipeg when all the express company requires to do is to increase the ocean toll to take up the difference? The same may be said of practically all traffic between the two countries to-day.

An international tribunal, consisting of the English Railway and Canal Traffic Commission and the Board of Railway Commissioners for Canada, or certain defined members of these commissions, could, by joint legislation, easily be empowered to control all these matters. Many details would have to be provided for, but there is no doubt acts could be framed applying the general principles of railway rate controlling legislation to ocean carrier. They are in effect common carriers. Most of them are incorporated in Great Britain or Canada. Very large sums are annually expended for their benefit in harbour improvements, lighthouses, buoys and so forth. They may easily form monopolies; it is charged that they have many times done so. Great Britain is dependent upon her food supply from abroad. This supply will increase yearly from Canada. The imports to Canada from there will increase yearly; so surely it is in the interests of the people of both countries that the ocean rates upon all this traffic should be under some controlling tribunal. Nor should it be to the disadvantage of the ocean carrier. Recently rates on westbound traffic were increased 25 per cent; the carriers said they were losing money; the shippers raised much complaint. No means exist for ascertaining if this increase is proper. If ocean carriers were compelled to file tariffs and could be brought before a tribunal to show the necessity for increase, if the increase were proper it would be allowed; in which event there should be no dissatisfaction. As it is, the carriers may be compelled to increase rates, and thus incur much adverse criticism, notwithstanding they are in the right. If, on the other hand, they are in the wrong, some power should exist to control them.

This is a memorandum sent me by the late chairman of the Board of Railway Commissioners, Mr. Justice Mabee, and if I re-

member correctly, an order in council was passed and this was forwarded to the British authorities.

Will you call it six o'clock, Mr. Speaker?

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

MARCONI WIRELESS TELEGRAPH COMPANY —EXTENSION OF PATENT

Mr. CAHILL (for Mr. Marler) moved the second reading of Bill No. 19, respecting a patent of The Marconi Wireless Telegraph Company of Canada, Limited.

Mr. MEIGHEN: Would the hon. member define to us the merits of this bill?

Mr. CAHILL: I was asked to have the second reading of the bill moved so that it could go to a committee. I am not prepared to say anything further about the bill.

Mr. MEIGHEN: The hon. member certainly has not said very much about it. Sometimes these bills are very objectionable. It seems a small enough matter to extend a patent, but the law provides a definite period for the life of a patent and the House should not be asked to give a second reading to a bill for extension unless it knows the special circumstances that entitle these men to special treatment.

Mr. CAHILL: In view of the objection, Mr. Speaker, I would ask that the bill be allowed to stand until the mover (Mr. Marler) is in his seat.

Motion stands.

CONCRETE SURFACING MACHINERY COMPANY

Mr. BOUCHARD (for Mr. Chevrier) moved the second reading of Bill No. 20, respecting a patent owned by the Concrete Surfacing Machinery Company.

Some hon. MEMBERS: Explain.

Mr. SPEAKER: As there is nobody to explain the bill, it will stand.

Motion stands.

MARCONI WIRELESS TELEGRAPH COMPANY

Mr. MICHAUD (for Mr. Casgrain) moved the second reading of Bill No. 21, respecting The Marconi Wireless Telegraph Company of Canada.

Mr. MACLEAN (York): I would raise the same objection to this bill that was offered in respect to the other. Here are two Marconi bills; and the greatest merger on this continent is now being consummated in New York, embracing all the American telegraph and telephone companies, all the wireless companies, all the cables, all the Marconi systems. In fact, I do not know where it does not go. The capitalization is to be a billion dollars?

Mr. SPEAKER: If the hon. member will allow me: if the mover has an explanation to give he might give it now, and then the hon. member for South York (Mr. Maclean) may follow.

Mr. MICHAUD: The object of the motion for the second reading, I understand, is to have the bill referred to a committee as soon as possible.

Mr. GORDON: I understand from the mover of the bill (Mr. Casgrain) that there is no variation of powers; the object of the bill is solely to change the name of the company.

Mr. MEIGHEN: It does more than that. It reduces the par value of the shares; and further powers are given to the company—it may engage in the business of telephone communication as well. It confirms a certain by-law; I presume that is the by-law reducing the par value of the shares. It also gives the company certain powers with respect to increase or reduction of its capital in the event of a two-thirds vote.

Mr. SPEAKER: Stands. I may say I have noticed that when private bills are called, hon. gentlemen in whose names the bills stand, with a few exceptions, are usually absent. I have to see that the rule is enforced, and I would remind hon. members who sponsor bills that they should be in their seats to explain them.

Motion stands.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION FOR RATIFICATION DISCUSSED

The House resumed consideration of the motion of Hon. T. A. Low (Minister of Trade and Commerce) to ratify and confirm a contract between His Majesty and Sir William Petersen providing for the establishment of a subsidized steamship line on the Atlantic, and government control of certain ocean rates, and the proposed amendment thereto of Mr. Clark.

Mr. GRAHAM: At six o'clock I had just concluded reading a lengthy but interesting memorandum by the late Mr. Justice Mabee, then chairman of the Board of Railway Com-

missioners, pointing out the wisdom of forming, if possible, a joint tribunal for the control of ocean rates so that traffic could be controlled from the point of production to the point of consumption, including both land and water transportation. I might follow that up by reading a copy of the order in council dealing with the matter:

The committee have had under consideration a report, dated February 21, 1910, from the Secretary of State for External Affairs, submitting a memorandum prepared by the chairman of the Board of Railway Commissioners, at the request of the Minister of Railways and Canals, pointing out the necessity which exists for governmental control over charges made to the public for the carriage of water borne traffic, similar to that which is now exercised over railway rates.

The committee recommended that Your Excellency may be pleased to forward this memorandum to the Right Honourable the Secretary of State for the Colonies, with the expression of a desire on the part of Your Excellency's ministers that this important subject be brought to the attention of His Majesty's government, with a view to the establishment of a joint tribunal for the regulation and control of ocean rates.

Mr. MACLEAN (York): Was there an answer to that communication?

Mr. GRAHAM: I will come to that in a minute. That communication was dated February 26. Let me now place on Hansard a communication of February 21:

The undersigned has the honour to submit to Your Excellency a memorandum prepared by the chairman of the Board of Railway Commissioners at the request of the Minister of Railways and Canals pointing out the necessity which exists for governmental control over charges made to the public for the carriage of water borne traffic, similar to that which is now exercised over railway rates.

The undersigned recommends that this memorandum be forwarded to the Secretary of State for the Colonies with the expression of a desire on the part of Your Excellency's ministers that this important subject be brought to the attention of His Majesty's government with a view to the establishment of a joint tribunal for the regulation and control of ocean rates.

All of which is respectfully submitted.

I want to point out to the House after editing this document that a direct and specific recommendation was made with a view to the establishment of a joint tribunal for the regulation and control of ocean rates. That will be important, perhaps, in view of what followed. About the same date, yes it was February 28, 1910, there was a memorandum that had been presented by Mr. Grigg, who was then trade commissioner for Great Britain in Canada, touching on this very same question, which was submitted by the Governor General of the day to the British government. The House will bear with me, I hope, while I read it because these facts are important as touching the entire question of ocean freight rates and the situation as it existed at that time:—

Government House, Ottawa,

February 28, 1910.

My Lord,—I have the honour to transmit herewith for Your Lordship's consideration an important minute of council approved on the 26th, instant, pointing out the necessity which exists in the opinion of His Majesty's Canadian government, for governmental control over charges made to the public for the carriage of overseas and water borne traffic, similar to that now exercised over railway rates, and expressing the hope of my responsible advisers that it may be possible, with the co-operation of His Majesty's government, to establish a joint tribunal for the regulation of ocean rates.

I also have the honour to enclose for Your Lordship's information as bearing upon the subject referred to in the above minute, a copy of a memorandum handed me by Mr. R. Grigg, His Majesty's Trade Commissioner on the Board of Trade (residing in Montreal). The figures and statements in the enclosed memorandum would appear to indicate that the recent rises in the ocean freight from British to Canadian ports, which have resulted from the operations of the Canadian North Atlantic Westbound Freight Conference, and the further rises in contemplation, must mean a transfer of Canadian trade from Great Britain to the United States, and a certain loss to the peoples of Canada and Great Britain of the benefits of the customs preference of 33⅓ per cent now given by Canada to British goods.

I have the honour to be, My Lord,

Your Lordship's most obedient humble servant,

GREY.

Now, I wish to read the memorandum that had been handed to Lord Grey, the Governor General, by Mr. Grigg, representing the British government in Canada:

Press paragraphs indicate an increase of freight rates between Europe and Canada is contemplated by the Canadian North Atlantic Westbound Freight Conference.

The operation of the conference is believed to have resulted in a continued increase in freight rates, and in the application of more stringent regulations tending in that direction. The natural result of such conditions has been to lessen the value of the British preference and to reduce the volume of British freight to Canada, while United States products carried by rail and therefore not subject to the same increased charges, have profited by the resulting handicap to British trade.

Up to a comparatively recent date the rate for dry goods to Ontario by the Elder Dempster line stood for years at 8 to 10 shillings per 40 cubic feet, but on the sale of that company's steamers to a member of the North Atlantic Conference the rates were raised to from 15 shillings to 17 shillings 6 pence for Canada, and even now the rate for dry goods, via certain United States ports is 10 shillings while for Canadian traffic from 15 shillings to 17 shillings 6 pence is charged.

It would appear that a further increase in rates based, not on competitive conditions, but on a monopoly control, may be expected to further reduce the tonnage carried and prove a source of injury to British trade. The effect upon British trade opinion just at a time when a marked increase of interest in all Canadian matters is being evidenced in Great Britain, can hardly admit of doubt.

The following table shows the triennial increase of imports from the year 1892 to 1909, and the same average for British and American imports with their respective percentages.

With the permission of the House I should like the table to appear on Hansard:

Average	Total Imports	Imports from G.B.	Percentage	Imports from U.S.A.	Percentage.
1892-4. ..	$113,134,051	$40,209,671	35.54	$ 51,609,339	45.62
1895-7. ..	104,218,293	31,095,008	29.83	53,577,245	51.41
1898-1900	149,386,838	37,751,589	25.27	88,457,424	59.21
1901-3. ..	199,664,868	50,211,920	25.15	116,895,752	58.54
1904-6. ..	259,496,447	63,750,411	24.57	154,746 960	59.63
1907-9. ..	296,611,781	76,501,606	25.71	121,101,041	58.88

It will be noticed that the comparisons of percentual averages 1892-4 and 1907-9 are as follows:

	British	American
1892-4..	35.54	45.62
1907-9..	25.71	58.88

the money value being as follows:

	British	American
1892-4	40,209,671	51,609,339
1907-9	76,501,606	121,101,041

It follows therefore, that during a period of immense expansion in Canadian trade, British imports have suffered a percentual loss of about 10 per cent, while United States trade shows a percentual increase of over 13 per cent. Stated in values the United States had on the average years 1892-4 the advantage over Great Britain in imports to Canada, of $11,399,668 and in the average years 1907-9 that advantage had risen to $44,599,435, and that notwithstanding the preference which came in operation in 1897 and was increased in 1900.

The obvious conclusion based upon the above figures is that any increase in steamship rates must mean a transfer of trade from Great Britain to the United States, and it appears to be certain that anything which increases commercial intercourse between Canada and the United States must encourage the building of lines running north and south, necessary to satisfy the needs of an increased volume of trade.

I have given Mr. Grigg's memorandum and the table attached to it.

Mr. MEIGHEN: Will the minister tell me, how did a memorandum come to be sent over by Lord Grey and comment made upon it? Apparently it was never referred to in the advice given Lord Grey by the cabinet.

Mr. GRAHAM: I do not know. In Lord Grey's communication it states that it was handed to him by Mr. Grigg.

Mr. MEIGHEN: It is a strange thing.

Mr. GRAHAM: He was representing Great Britain in Canada, as trade commissioner. I am simply giving the records. Here is a resolution from Toronto, and of course this must be orthodox:

Whereas information has been given to the Toronto Board of Trade that it is proposed by the North Atlantic Westbound Freight Conference to materially increase the transportation charges for ocean freights from British to Canadian ports; and

Whereas the Canadian government, with a view to bringing about closer relations with Great Britain, has given a customs preference of 33⅓ per cent for British goods—

Be it resolved that an urgent appeal be addressed to all Canadian shipping companies to resist any proposed increase, as the effect of such increase must tend to divert to the factories of the United States, trade which the preference was designed to encourage with Great Britain and further be it resolved that a copy of this resolution be sent to the Prime Minister, and the Minister of Trade and Commerce, and the Minister of Marine, with the urgent request of the Toronto Board of Trade for the co-operation of the government at Ottawa to preserve to the people of Canada and Great Britain the benefits of the preference as it now exists.

Mr. SHEARD: What is the date of that communication?

Mr. GRAHAM: It is about 1909.

Mr. SHEARD: I was not in the House then.

Mr. GRAHAM: Hon. members will note that the board of trade at Toronto wanted to convert the heathen elsewhere, and so fearful it was lest the British preference might be interfered with by high ocean rates that it sent a copy of this resolution to other boards of trade. This resolution continues:

It is resolved also to send copies of the resolution to the boards of trade of the cities of Hamilton, Montreal, Quebec, St. John and Halifax.

That was the attitude taken on ocean rates by the representative of the British government. Let me go back a little. The hon. member for South York (Mr. Maclean) asked me a question and I am not sorry that he did. Now I will reply to that question, and in this connection I want to link up with this the amendment of the opposition, to which my hon. friend from South York is supposed to pay allegiance. I hope he will not. Here is the reply that came in response to a communication by the government and prepared by the late Mr. Justice Mabee. Remember, the distinct recommendation was not for investigation, not for sidestepping, but for a board of joint control of the various parties interested. Here is the reply:

I am directed by the board of trade to advert to your letter of April 1, transmitting copy of a despatch from the Governor General of Canada, on the subject of the proposed regulation of ocean freight rates, and asking for an expression of the views of the board on the proposal made by the Canadian government for the establishment of a joint tribunal for the control of these rates.

With reference thereto, I am to observe that, as Lord Crewe is aware, the question of the control of ocean freight rates and of the operations of shipping combinations is full of difficulties. The whole matter of shipping rings was quite recently investigated by a strong royal commission, on which the self-governing dominions were represented. A copy of the report of the commission is enclosed herewith.

The royal commission considered, inter alia, the suggestion made in South Africa that a board of control should be established comprising representatives from all the interests concerned, including the colonial government, but they came to the conclusion that it

was neither practicable nor desirable to invest any external body with power to fix rates of freight by compulsion (Cf. pars. 318 and 319 of the report, Cd. 4668, 1909). At the same time the commission made certain recommendations with a view to the establishment of means of conciliation.

Mr. MACLEAN (York): Who says that?

Mr. GRAHAM: I will give the signature in a little while.

Mr. MACLEAN (York): Who made that statement?

Mr. GRAHAM: The royal commission. At the same time the commission made certain recommendations with a view to the establishment of means of conciliation. The resolution continues:

The Board of Trade do not think that the considerations which have resulted in the control of the railway rates and facilities apply with equal force to the control of shipping rates and facilities. In the case of the former the government has granted certain monopoly privileges which, owing to the fact that the ocean is a public highway, could not be granted to shipping conferences. It also appears undesirable in the interests of imperial trade, to hamper British shipping companies in international competition by restrictions which it would be impossible to impose upon their foreign competitors.

While for the above reasons the board would see great difficulty in the establishment of a joint tribunal for the control of ocean freight rates, they direct me to call Lord Crewe's attention to the recommendation made by the Royal Commission on Shipping Rings in paragraph 332 of their report, that, to meet the possibility of cases arising where public interests may be greviously affected either by the checking of a trade or by its more or less permanent diversion, the Board of Trade should have the power to appoint competent persons to investigate the matter. There seems no reason why His Majesty's government should not discuss with the Canadian government the question of holding a joint inquiry into the rates charged and facilities afforded by the shipping companies engaged in the trade between United Kingdom and Canadian ports, either on the lines of the recommendation of the royal commission or on the lines of the inquiries provided for in the Combines investigation bill which it is understood has passed through the Canadian legislature.

I have, etc.,

R. C. HERON-MAXWELL.

The Under-Secretary of State,
Colonial office.

Mr. MACLEAN (York): They did not care much for the preference.

Mr. GRAHAM: And I must read another letter by Lord Crewe to Lord Grey, in reply, I presume, to Lord Grey's communication which I read a few minutes ago. It reads:

With reference to my despatch No. 224 of the 31st of March, and to Your Excellency's despatch No. 90 of the 28th February, I have the honour to transmit to you, for the information of your ministers, the accompanying copy of a letter from the Assistant Secretary of the Marine department of the Board of Trade expressing the views of the board on the proposal to establish a joint tribunal for the regulation and control of ocean rates, together with a copy of the report of the Royal Commission on Shipping Rings to which reference is made by the Board of Trade.

2. Your ministers will see that the board discover difficulties in the establishment of a joint tribunal for the regulation of ocean freights but suggest that there might be a discussion of the question of holding a joint enquiry into the rates charged and facilities afforded by the shipping companies engaged in the United Kingdom-Canada trade. You will no doubt furnish me in due course with the further observations of your ministers upon the question.

I have, etc.,

CREWE.

Hon. members having heard this, I wish to read to the House the amendment of the opposition. Mark you, we asked in 1910 for a joint tribunal. It was refused, the reason being given that it was impracticable. If it was impracticable in 1910, it is more so now, because the ramifications are greater. It was admitted by Mr. Grigg that there was a combine on the Atlantic, and as proof of that combine, he cited the fact that when the Elder-Dempster line had been sold to a member of the North Atlantic Steamship Conference, rates went up by leaps and bounds. He named the commodity and he asked, as representing the British government, that something be done. The government of Sir Wilfrid Laurier, through a letter addressed by myself to the then head of the Board of Railway Commissioners, outlined a proposition. I have read the reply which, to put the case mildly, was an absolute refusal to have a joint board. What does the amendment of my hon. friend say? This is the amendment of the hon. member for Burrard (Mr. Clark), speaking for the opposition:

I therefore move that Mr. Speaker do not now leave the chair, but that it be resolved: That effective control of ocean rates can be exercised only with the co-operation of all portions of the empire, and by a body on which all are represented, and the contract made by the government with Sir William Petersen, based on the report of W. T. R. Preston, is ill-advised—

And so forth. This amendment asks us in this parliament in the Dominion of Canada as representatives of the people to pass a resolution requesting the British government to do something which they refused to do in 1910. Is that going about the matter in a practical way? I can tell hon. members now my private opinion of what it is worth, namely, that this country will never get any control over ocean rates by a combination made up of the different parts of the empire. We are here to look after the interests of the Canadian people, and if this plan that is now proposed fails, this government is going to endeavour to get some other plan that will not fail. I say it advisedly again that there can be no efficacy in this amendment which asks the British government to form a body,

which the British government was asked to form years ago when the situation was not nearly as acute as it is at the present time, and which that government refused. Great Britain is greatly interested in shipping. It controls to a large extent the shipping of the world, and I say this not with any prejudice, that the great mass of the people in Great Britain are interested in the success of the greatest industry they have, that is shipping, and they are not interested in the decrease of the rates which that shipping gets.

Mr. MACLEAN (York): Will the minister say, as regards the document that he read embodying the policy of the British government, whether this is the first time it has been published?

Mr. GRAHAM: I am not sure, but this is the first time I have published it. I have been asked: The British government asked for a reply to your last document, what reply did you make? I made no reply whatever. I know when I am turned down.

Mr. CALDWELL: Has this document been on the departmental files ever since?

Mr. GRAHAM: This document has been with the Board of Railway Commissioners and I have been digging assiduously for a few days to find out things. My memory served me fairly well as to where these things were, but I wanted the documents themselves. I have been asked, as I said before, what reply I made when the British government asked for a reply to their document suggesting an investigation. I made no reply so far as I can find, and I think my memory serves me well at the same time, because we were after something to control ocean rates, not something to investigate. We had the proof from different parts of Canada, from our shippers, that they thought ocean rates were too high, and we wanted to devise some scheme to control ocean rates, as I outlined this afternoon. We did not need any further investigation. I say frankly that I considered the suggestion to make further investigation just another method of side-stepping the whole question and getting away from the one thing we were after.

Mr. MACLEAN (York): Why did you not reach for the big stick?

Mr. GRAHAM: We think we have one now.

An hon. MEMBER: Preston?

Mr. GRAHAM: My hon. friends opposite are investigating Preston all the time instead of investigating ocean rates. I am trying to stick to the subject.

Mr. CHAPLIN: Why did the minister send him over if the minister knew all about it before?

Mr. GRAHAM: My hon. friend knows that his friend the hon. member for South Oxford (Mr. Sutherland) would have been out of a job if we had removed Preston from the scene. I am going to stick right to this text of mine because it is very illuminating, and my hon. friends will discover that they were in it up to their ears and were endeavouring to do the same thing in their minds. The British government refused to appoint a joint board. We say now that it is futile, foolish, to fish out an amendment asking them to do something which they have refused to do and which this House knows they have refused to do.

But all the virtue was not in the Liberal government. Occasionally there are spasms of lucid intervals with our friends. When the people of Canada, through a misconceived notion, changed governments, the successor to Mr. Justice Mabee had the same idea that Mr. Justice Mabee had, that there should be some way of controlling ocean rates in line with the authority and machinery provided for the control of rates by land. So, the hon. member for West York (Sir Henry Drayton) very wisely, and I will not say following up what his predecessor did, but following along the same line, came to the conclusion that some method should be devised to control ocean rates. The hon. member for West York and I discussed the matter in a friendly way several times. The government of that day, through an order in council, sent the hon. member for West York, then head of the Board of Railway Commissioners, to London, to see if he could accomplish something. I will read the order in council authorizing him to proceed. This is dated July 23, 1913. That was before the war:

> The committee of the Privy Council have had before them a report, dated 15th July, 1913, from the Acting Secretary of State for External Affairs, with reference to the question of the regulation of ocean freight rates.
>
> The minister observes that this subject engaged the attention of the Canadian government in 1910. On the 26th February of that year a minute of council was passed advising that this matter should be brought to the attention of His Majesty's government with a view to the establishment of a joint tribunal for the regulation and control of ocean rates. In the month of August following, a despatch was received from the Secretary of State for the Colonies enclosing a memorandum from the Marine Department of the Board of Trade in which it is set forth that:—
>
> "There seems no reason why His Majesty's government should not discuss with the Canadian government the question of holding a joint enquiry into the

rates charged and the facilities afforded by the shipping companies engaged in the trade between United Kingdom and Canadian ports, either on the lines of the recommendation of the Royal Commission or on the lines of the enquiries provided for in the Combines Investigation Bill which it is understood has passed through the Canadian legislature."

It does not appear that any action was taken upon this suggestion.

The minister, conceiving the time to be opportune for renewing the consideration of this important question, recommends that H. L. Drayton, Esquire, Chief Commissioner of the Board of Railway Commissioners, be authorized to proceed to England for the purpose of discussing with the Imperial authorities the question of governmental control of the charges made by the shipping companies to the public for the carriage of ocean-borne freight.

The committee, concurring, advise that Your Excellency may be pleased to forward a copy of this minute, if approved, to the Right Honourable the Secretary of State for the Colonies for the information of His Majesty's government.

All of which is respectfully submitted for approval.

RODOLPHE BOUDREAU,
Clerk of the Privy Council.

Up to that time we were all of the same mind; it did not need any Preston report nor the report of any committee to convince the government of 1911 as well as the one succeeding it that something ought to be done with ocean freight rates. And they sent the hon. member for West York (Sir Henry Drayton) overseas to look into the matter. I saw the hon. gentleman the day he was going and he was full of enthusiasm, but I suggested that he would come back with the same information that I already had. He went over and did his best, and I am not going to discuss anything that occurred or did not occur. But no board was formed for the control of ocean rates, nor has there been any up to this day. I want to be fair, and I will observe that there are difficulties. As has been pointed out, the ocean is not like the right of way of a railway; if you make it too hard for ships to come to one port they can go to another. The difficulties therefore are great. But it does strike me that if Canada had had the sympathy of the British Board of Trade, part of the British government, in endeavouring to arrange fair ocean rates, a tribunal could have been established that might have had some effect at least. And the very fact that a combination had been formed from various parts of the empire, having in view the control of ocean rates, would have had the effect perhaps of obviating any necessity for action at all looking to the control of rates.

The question has been asked, and I think the leader of the opposition (Mr. Meighen) is somewhat enthusiastic about it—Why do you not use the merchant marine? Well, I will answer that question in due course. But before I take it up I want to refer to another matter, because I do not want to attribute anything to my right hon. friend's government which should properly be attributed to that of his predecessor. I find some correspondence tabled the other day, and in it there is a letter from Sir George Perley to the right hon. the Prime Minister of that day, now leader of the opposition, pointing out that excessive ocean rates exist, or at any rate that the people believe they exist. Let me read the first paragraph:

London, S.W., 4th January, 1921.

Dear Mr. Meighen,—You will remember that during the past ten years the question of ocean freight rates has been discussed many times, as they often seemed higher than was reasonable, and some of us thought that a way might be found for controllng them by a body similar to our railway commission. I am sure that you have been approached many times on the subject and I had occasion to look into it a good deal when carrying on the Trade and Commerce department in Ottawa in Sir George Foster's absence. Not long after we came into power, while Acting Prime Minister, I arranged with Sir Henry Drayton to come over here and try and find out the feeling here on the subject.

Now listen.

He came back not feeling very hopeful about the possibility of getting anything done in the direction of freight rate control but he will be able to tell you about this himself.

The reading of that confirms what I have stated. The second attempt, yes, the third attempt did not get us anywhere, no matter what party was in power on this side of the line.

Mr. MEIGHEN: What was the third attempt?

Mr. GRAHAM: This is the third attempt about which I am reading now. To proceed:

Nothing was done about this question during the war but on April 29, 1919, I received the following cable from Sir Thomas White who was then Acting Prime Minister.

Sir Thomas White evidently thought there was need of action. I am just reading portions of the letter.

Mr. MEIGHEN: It is not long and hon. members would like to have it all.

Mr. GRAHAM: Very well, I will read it.

Canada much concerned about ocean freight rates—Enquire and cable whether British government would co-operate with Canada in giving effect to report of Royal Commission on Natural Resources, Trade and Legislation of certain portions empire as presented to Imperial parliament in March, 1917—this report finds that it is not desirable that operations of steamship companies carrying passengers and freight between Canada and England should remain longer without government supervision—most important to obtain official position of British authorities respecting matter."

This I at once communicated to the Colonial Secretary here and I spoke to Sir Robert Borden about it when I was in Paris a few days after receiving it. In the reply from the Colonial Office they drew attention to a despatch which had been sent to the Gov-

ernor General on December 9, 1918, and which contained suggestions for the constitution of an Imperial Investigation Board for the purpose of reviewing questions relating to maritime transport and to the development of the sea communications of the empire.

Sir Robert Borden had evidently been giving the matter his careful consideration and in May, 1919, he prepared a memorandum "respecting necessary control of ocean freight rates and the disposition of available shipping", of which you will find a copy attached. This memorandum, which suggested in effect that the control of ocean rates and disposition of shipping should be placed in the hands of a commission, composed of representatives from the various parts of the Empire, was transmitted to Mr. Lloyd George and to the Prime Ministers of the other dominions.

Canada had acquiesced in the suggestion for the appointment of the Imperial Investigation Boad but in view of Sir Robert Borden's memorandum further consideration was given to the matter and eventually the Imperial Shipping Committee was created on the lines of the Colonial Secretary's despatch to the Governor General of Canada of October 11, 1919, by an instrument under the hand of Mr. Lloyd George dated June 15, 1920, copies of both of which you will find attached.

As the question of the control of freight rates had been one of much interest to Canada I rather felt that, if it were to be taken up seriously before this committee, someone with technical knowledge and understanding of commercial shipping questions should be here to assist me in my capacity as the representative of Canada on this committee. I put my views forward fully to Sir Robert Borden in a letter dated December 9, 1919, and, after this had been considered at Ottawa, Sir George Foster wrote me suggesting that Mr. William Phillips, who is the European manager over here for the Canadian National Railways, might act in the capacity of an adviser, on account of his knowledge of Canadian conditions and of shipping matters in general. I arranged with Mr. Phillips accordingly and he has been both courteous and helpful. I took him with me to the first meeting of the committee and I arranged that he could attend in my absence, although he is of course a busy man. Yesterday we had a long talk on the subject and reviewed the position as it has developed so far. The committee has held some 14 or 15 meetings, of which six have been devoted to "Ship-owners' liability by clauses in bills of lading", and the majority of the others to evidence given by representatives of various port authorities on questions relating to port facilities, control and development.

On July 29 last the chairman of the committee wrote me (copy of letter enclosed) saying that the committee desired to be furnished with up to date information regarding dock and harbour accommodation and other maritime transport facilities and would be glad to have before them as full a statement as possible of the views of the Canadian government on the questions falling within the scope of the terms of reference.

This letter was referred to the Department of Marine in Ottawa and I have a reply from them saying that the information asked for is being prepared and will be forwarded shortly, but that, so far as they know, the Dominion government has no statement to make.

The reason that I am writing you at the present time is in order that you may consider and decide whether you wish to bring before the committee the question of the control of freight rates. I understand that this was the chief ground on which the Canadian government favoured the appointment of the committee, but this question has so far received but slight attention, as the committee has occupied itself mainly in the discussion of subjects which, while no doubt important, have but little bearing on this point.

[Mr. Graham.]

Let me interpolate, that that will be the result of every meeting you have of a committee of that kind: it will discuss everything but the question of ocean freight rates.

The terms of reference do not definitely give the committee authority to consider the possibility of controlling freight rates, but I explained fully to the committee at their first meeting the interest which Canada took in that question, and that it was largely in view of Sir Robert Borden's memorandum on that point that the committee had been created. The instrument of appointment gives the committee authority to inquire into and report "on all matters connected with ocean freights and facilities," which appears to be sufficiently broad to cover the question of control of freights.

Then you will see that one of the clauses in Sir Halford Mackinder's letter of July 29 is as follows: "If your government should think it desirable now to nominate witnesses the committee would be glad to have information as to when they would be available to give evidence." The present therefore would appear to be an opportune time to take up with the committee the question of the control of ocean freight rates if you think it advisable to do so. I realize quite well that the position is not quite the same now that it was before the war. In the first place, there is at the present time a plentiful supply of ships and therefore freight rates naturally tend to adjust themselves on a reasonable basis. Then there is of course the fact that the Canadian government now owns quite a large number of ships and is therefore in that way able to exercise a certain amount of control regarding rates. These facts may influence the views of the government on the subject, but in any case I would suggest that the question be considered and a decision arrived at as to whether you care to press the matter before the Imperial Shipping committee on the basis of the memorandum prepared by Sir Robert Borden in May, 1919. If you should decide to do this, I think you will agree with me that someone with full technical knowledge and who understands commercial shipping questions should prepare the Canadian case carefully and then come over here to appear before the committee and to give evidence regarding it. As such a large amount of tonnage is owned in these Islands they are perhaps naturally not very anxious about the control of freight rates and therefore, if you decide to bring the question before the committee, I do not think it possible to give too much time or attention to the preparation of our case.

Will you kindly consider this matter and advise me as to your wishes.

Yours sincerely,

GEORGE H. PERLEY.

Now, if I had read that letter in the first place it would have saved a large portion of my speech, because Sir George Perley, in mild language, absolutely states the case as it is, that there is not much sympathy in Great Britain for the practical control of ocean rates. It is so simply on the face of it.

Mr. MORRISON: Does the minister mean to tell us that the manufacturers of Great Britain have no particular interest in low ocean rates? Have they not just as much interest in securing low rates as the shipping companies have in maintaining high rates?

Mr. GRAHAM: I would not go that far. But there are so many of them and so few of us. As a matter of fact, the greatest industry in Great Britain is shipping; the success of Great Britain depends largely on the profits of its shipping, and from the government down most of the people are shareholders in the shipping companies of Great Britain. In a word, the vast majority of the people have, directly or indirectly, investments in the shipping of Great Britain, and on the success of that shipping depends to a large extent the industrial prosperity of Great Britain. They are not like we are in Canada at all.

Mr. BIRD: I was wondering whether the minister had considered the possibility of the British government retaliating against the proposal of the Canadian government, and what would be the result of such retaliation?

Mr. GRAHAM: How would they retaliate?

Mr. BIRD: After reading the British debate on the Petersen contract it seemed to me that Mr. Guinness had already fired the first shot, and that that might be the ominous beginning of war between the British government and our own.

Mr. GRAHAM: I would not have such a poor opinion of the British government as that. Of course we have in this country people who would retaliate to the limit against the United States on the tariff, but a good many of us think that that action would not do us any good. I am not inclined to think there would be any retaliation. On the contrary, I fancy Great Britain rather likes to see her sons overseas show a disposition to look after themselves.

Mr. BIRD: I am not suggesting any such strife, but it is a point that has troubled me considerably, and I was wondering if the minister could forsee its probable consequences. As he says, the shipping profits are very vital to the public of Great Britain, and it is therefore only natural that the government should rally to the defence of the shipping interests. When the British government withdrew the subsidy to the Petersen firm, it seemed to me indicative of a possible development of strife between the two governments.

Mr. GRAHAM: We cannot foresee what will happen, but I do not imagine that the British government in all its might would endeavour to crush out the Dominion of Canada's trade, because the trade of Canada is as vital to Great Britain as the trade of Great Britain is to Canada, and Great
9 p.m. Britain is not likely to overlook the British preference in our tariff. But we have to look out for ourselves so far as we can. Let me refer for a moment to the supposed action of the British government with regard to Petersen. It has been said that the withdrawal of the British subsidy would prevent Sir William Petersen from going on with his contract with us. He says not. But if Sir William is prevented from doing so, he will not get a cent, and it will not cost us a cent. But we are going on in an earnest endeavour to bring about a state of affairs that will let the shipping companies of the world on the Atlantic and the Pacific know that Canada wants to get a square deal for her people.

Now, here is a letter, dated February 16, 1921, from the right hon. leader of the opposition, who was then Prime Minister:

> Dear Sir GEORGE PERLEY,—After consideration of your letter of January 4, we have decided that the question of the control of ocean freight rates should be placed before the Imperial Shipping committee at an early date. We also agreed with your suggestion that the case from the Canadian viewpoint should be carefully prepared, and Dr. Magill, of the Grain Exchange, Winnipeg, has been asked to undertake the task. As soon as his report and recommendations are received they will be considered and transmitted to you for your guidance.

I understand Dr. Magill did not undertake the work.

Mr. MEIGHEN: There was a letter asking him to undertake it.

Mr. GRAHAM: Yes.

Mr. MEIGHEN: There was also a reply from Dr. Magill, but apparently the government cannot find it.

Mr. GRAHAM: Dr. Magill sent a telegram the other day stating that he had made no report. I would imagine he sent an acknowledgment of the invitation.

Mr. MEIGHEN: It was in the correspondence.

Mr. GRAHAM: There we are right up to 1921 and not a blow struck for reduced freight rates. I think the correspondence I have read from Sir George Perley himself is absolutely convincing that no relief is to be expected in control of ocean rates through co-operation of the various parts of the empire, without anything I have said being taken into consideration at all.

Now I come to the Canadian Government Merchant Marine. It has been asked: Why do you not use the merchant marine? My right hon. friend the leader of the opposition in

his interruptions this afternoon intimated that that ought to be the course to be pursued. Let me refer you again to Sir George Perley's letter. Sir George Perley in pointing out the difficulties of this ocean control, called the attention of the then Prime Minister, the present leader of the opposition to the fact that they now had a merchant marine in Canada that could in a measure control the rates. Why did they not do it? I notice that no one is speaking too loudly. The opposition ask—and those who have given the least study to it ask the oftener—why we do not use the merchant marine for this purpose now? Well, my right hon. friend, as was pointed out to him by Sir George Perley, had a brand new merchant marine, with the paint not yet dry on it—the ships being turned out; not a trade route established the removal of which would embarrass anyone—ships out there at anchor. And Sir George Perley was saying: "Why do you not put them to work to bring down freight rates?" But it was not done.

Mr. MEIGHEN: They were all running.

Mr. GRAHAM: Some of them were not finished until quite a while after the war. But here were these boats, free to be turned loose on the north Atlantic to reduce rates; and when the high commissioner asked the Prime Minister of the day to do it it was not done. They belonged to the north Atlantic conference and they were put on other routes; they were not used to break the freight rates on the north Atlantic. Now we are asked why we do not do it. There are two or three reasons, and I may help my right hon. friend out of the hole a little before I get through.

Mr. MEIGHEN: I am not in it.

Mr. GRAHAM: Badly. It is a great thing to feel happy—

Mr. MEIGHEN: I am glad I am not in the government's hole.

Mr. GRAHAM: And my right hon. friend will not be for a great many years. At present the merchant marine ships are on established routes, that is, the ships that are capable of carrying large cargoes at reasonable rates. This government came in and found these ships. We were not responsible for the Canadian Government Merchant Marine which cost three or four times as much as it would now; but there the ships were, with a heavy capital expenditure, and they had been handed over to the Canadian National Railways just a short time before. They were not in charge of the minister who built them; they were shifted over to another department. Unfortunately I was put at the head of that department. The management of the Canadian National Railways have been sending these ships over different routes throughout the world, getting away as far as possible from keen competition, because they could not in some circumstances compete with the faster ships or ships better adapted to certain cargoes. New trade routes have been worked out that are of benefit to the Dominion of Canada. I asked one of the members from British Columbia the other day, when he was talking about taking the ships off routes that were not paying—he did not say anything like that in 1921 when there were practically no routes established—I asked him if he would allow us to take the ships off the route that had been established between eastern Canada and Vancouver, and he immediately said no. These ships at the present moment are not paying but we are developing an interprovincial trade by water to the benefit of both extremes of the Dominion of Canada, and in a short time I believe they will bring a profit to the merchant marine as well as great good to the country.

Mr. LADNER: If the minister will allow me, I suggest that he may develop the ends and choke the centre through the custom house regulations at New York.

Mr. GRAHAM: Now my hon. friend is running away to the Customs department. These ships do not need the Customs department. My hon. friend would want us to ship goods via American bottoms to New York. Well, we are trying to develop an all-Canadian route with the merchant marine that does not have to go to New York.

Mr. CLARK: I do not wish to interrupt the minister, but I would remind him that I myself advocated last year just such a service as he is now speaking of, and it was advocated by others also. It was promised by the Minister of Customs (Mr. Bureau) who is unfortunately not in his seat. But will the minister tell the House when this service between Vancouver and eastern Canada by water was established? I understood him to say it had been established; am I correct?

Mr. GRAHAM: Surely.

Mr. CLARK: When was it established and what does it consist of?

Mr. GRAHAM: I am not prepared to give those details. But it is carrying all the traffic that is offered and is prepared to increase the number of sailings as the traffic increases.

Mr. CLARK: When was that service established?

Mr. GRAHAM: Some months ago.

Mr. CLARK: Are there regular sailings?

Mr. GRAHAM: Whenever there is freight there are sailings.

Mr. CLARK: That is, there are no regular sailings?

Mr. GRAHAM: I would not say that My hon. friend can say it if he likes. We are trying to establish—

Mr. CLARK: I do not want the minister to misunderstand me; I am only asking for information with regard to the service that my hon. friend is referring to. Of course, if he does not want to give the information, all right.

Mr. GRAHAM: That is not a good way to put it. I might put it in such a way as to suggest a little surprise at my hon. friend living in Burrard and not knowing the steamship sailings, but I do not want to say that; we are trying to discuss this without manhandling each other. I say the Canadian merchant marine has put on a service between eastern and western Canada via the Panama canal and is prepared to increase that service as the traffic is offered. Then we have other sailings from Vancouver; we have sailings to the Orient, sailings to Australia. Who is to say we ought to take these ships off and put them on the north Atlantic, even if they could be used to reduce freight rates on the north Atlantic.

Mr. LADNER: Are they not paying?

Mr. GRAHAM: At the present time some of them are; still, would my hon. friend take them off? I am pointing out that we are not in the same position to put the merchant marine on the north Atlantic to reduce rates as was the previous government, which had them before any trade routes were established. Unless we take the ships off routes some of which are paying, others developing Canadian trade, others bringing trade to the Canadian National, we cannot do it. Unless the members of the House from various parts of Canada will say, "Yes, take these ships off the routes in our locality," then we have not any ships left of any consequence, even if they were suited for use on the north Atlantic in this connection.

Now, let me go a little further. As to this Petersen contract, let me make it clear that Sir William Petersen is offered so much money if he gives a certain service under government control. This is not a subsidy to a steamship line to run on certain routes, as subsidies are commonly granted; it is a certain amount per year to Sir William Petersen, the chief object of which is to establish the principle of government control over ocean freight rates. Is it worth while paying something for, or is it not? You say it is an experiment; I say it is an experiment. You come back to me and say there is no combine; I say I do not care whether there is a combine or not: Are the freight rates too high? Let the government get control by means of this contract and we will soon find out how much too high they are. And as to that experiment, it is worth to the farmers of western Canada and the farmers of Ontario more than we are paying to Sir William Petersen under this contract.

Mr. SPENCER: Would my hon. friend not include the manufacturers of eastern Canada as well?

Mr. GRAHAM: I am going to include them; you see, I was taking them in sections. I say it is worth more than we are paying for it, to the farmers of the east and of the west; but added to that, it is worth just as much to the manufacturers of eastern Canada to have some control over rates. I have correspondence on my desk pointing out where manufacturers have been unable to fill their orders in the Motherland on account of the increase in ocean rates.

This plan is a departure from existing conditions. We tried to get control through a joint board, but the attempt to get that plan has proved futile; and the suggestion of the amendment is only laughing in the face of the Canadian people. Now there is some other way, if there is a way, and it is one that the government of Canada required a great deal of courage in undertaking, because there are people who do not believe in bounties, although they would like this to go through. There are people who do not believe in doing anything to interfere with the existing conditions on the ocean. Then there are people who are prejudiced against government control of any kind, so that the government needed great courage in undertaking this arrangement. I want to say again that this is only an experiment; but unless some government has the courage to try and experiment we will never get any further than we have during the last fifteen years in the matter of control of ocean rates. One of the members for Vancouver the other night asked me the question if this contract would apply to the Pacific trade. I say now, thinking the other members of the govern-

ment will agree with me, that this is an experiment, and that if it proves successful, as we hope it will, it will apply to every port in the Dominion of Canada and to every cargo that comes to this country.

Mr. LADNER: Will the minister put boats on the Pacific in the same way and under the same conditions?

Mr. GRAHAM: What I tried to say was that if this proves successful—

Mr. MEIGHEN: Hear, hear.

Mr. GRAHAM: My right hon. friend surely does not hope it will not prove successful?

Mr. MEIGHEN: It is not a state of hope in my mind at all, it is a state of certainty.

Mr. GRAHAM: My right hon. friend is a pessimist. We will let it go at that.

Mr. MEIGHEN: I am, in this matter.

Mr. GRAHAM: My right hon. friend is a pessimist in respect to anything the Grit government attempts to do.

Mr. MEIGHEN: Hear, hear.

Mr. GRAHAM: I do not complain; some of us are born that way. My hon. friend (Mr. Ladner) asked if the government will put boats on the Pacific in the same way and under the same conditions. I could not say absolutely. It might transpire during this experiment that we could do better in the case of a future contract in some other way; but the best that can be done to control rates on the Pacific, if this proves a success, will be done by the government of Canada.

Mr. LADNER: Has the government any information with respect to rates on the Pacific now?

Mr. GRAHAM: As far as I am concerned I have never had any complaints as to rates on the Pacific. The great fear I have found, from correspondence we have got, is that the government are going to take the ships of the merchant marine away from there.

I want to say before I sit down that I do not care whether there is a combine or not; that is not the question before this House. You would think to hear some hon. gentlemen speak that the question before the House was "Who is Preston?" "Who is Petersen?" "Has anybody got a combine?" The question before this House is first "Do we think the rates are too high on the ocean?" Everybody expresses the fear that they are. What is the cure? Somebody proposes the merchant marine though they never used the merchant marine when they had it. Others say something else. The government, after a study of the case, believes this is one good plan to establish the principle of government control of ocean rates, and if it proves to be a success then the government will be prepared to proceed a step further. I make the prophecy before I sit down, that before this is all through, the leading shipping companies that sail the ocean will be prepared to make terms with the Dominion of Canada.

Mr. WILLIAM IRVINE (East Calgary): The minister who has just taken his seat has been as interesting as he usually is, if not as convincing as usual. This debate has been conducted at very great length, and it would appear that it will go on for some time yet. The duration of this discussion would apparently indicate the importance of the subject. It is not only important because of the particular instance with which we are dealing. It is important for another and greater reason. Just as the last century witnessed a very keen competition, which in our present time has culminated in large combines and trusts, so the age in which we are living will witness efforts being put forward on the part of all governments in all countries to secure control over these combines and trusts, in order that the advantages which may be derived from combines may be secured to the people without allowing these combines to reap an undue reward at the public expense. It is because of the importance of the subject in this regard, as well as from the point of view that it actually implies the subsidizing of a private company without any very apparent reason, without any return from that operation, that I rise to speak on this question; also to explain the position that I and my colleague are forced to take on the issue; and further to present what I believe is a viewpoint that is, at least, a little different from any that has so far been put forward, whether that be a virtue or the contrary.

The first question to be considered is whether we have a combine or not. The hon. Minister of Railways and Canals says it does not matter. Although the whole proposal has been based upon the assumption that there is a combine the minister now tells us that it does not matter whether there is one or not. But the government appointed a gentleman to investigate this matter and he has presented a report for the edification of members of parliament; a report which is calculated to demonstrate that there is a combine, and that the contract into which the government desires to enter is the way to break that combine. But I must say, Mr. Speaker, that I

have not come to the conclusion that there is a combine by the reading of the Preston report. If I were to take this report seriously, apart from the flat statement of the author, I would come to the conclusion that there is no combine at all. He says in one part of the report, quoting a letter from a manufacturer whose name he does not give:

> I have representatives of the steamship companies calling on me every week, who are complaining about the small amount of freight that is offered.

He would have us believe that there are shipping companies in a combine and in a conspiracy against Canada; and that the agents of these companies in Montreal had been grumbling to the shippers because there was no freight for their empty ships. Surely this combine would not grumble over the lack of business, nor bring ships in hopes of obtaining a business that had been killed by its own design. Then if hon. members will turn to page 18 of the report they will find a table of figures which is supposed to show that very high rates have been charged against the Canadian and British trade, and particularly during 1924. This table is given to prove that there is a combine and that that combine is engaged in a conspiracy against British and Canadian trade. He shows us by this column of figures that in 1924 the freight was very much higher to British ports from Canada than to ports in Europe. But if hon. members will turn to the column of figures in 1923 they will find that the situation is reversed, so that if Mr. Preston had issued his report in that year he would have had to have said "Yes, there is a combine but that combine is in a conspiracy against the European trade in favour of Britain and Canada." So that I think it was fortunate for the government that this report happened to be made in 1924. I do not conclude as to a combine on the strength of this gentleman's word.

There is another reason why I would doubt the existence of a combine, if I were to depend upon the information which this report gives or which the government has given, and that is the proposal that has been put forward to defeat it. That in itself would appear to argue that if there is a combine it is not very well combined, and that it is not very large, for the proposed ten ships would not break a very large combine. However, I believe there is a combine, first because of my understanding of the nature of the processes that have been going on for the last century in our industrial and commercial life. The competition which has taken place in the industrial and commercial fields has led inevitably to combinations of fairly equal forces for mutual benefits. In other words, co-operation which has been adopted as the policy of the farmers of this country, which is adopted largely by the labour organizations of this country, has been adopted long since by large corporations in competition with each other. Yes, combines are the natural outcome of the processes which have been going on for the last century. But if we required any special evidence of this we would have to go to the report of the Agricultural Conditions committee of last year or to the report of the hon. member for West York (Sir Henry Drayton). However, the minister has just assured us that they had sufficient evidence of the proof of a combine in 1910. If the government had that proof it is not clear to the House, and I do not think it will be clear to the people of Canada, why they, in 1924 appointed another gentleman to make another investigation of something of which they already had all the proof which they required. That is of course a minor point, but so far the government has carefully fought shy of dealing with that point and it would appear that there is some reason for thus evading an explanation beyond that which has been vouchsafed to the House. I conclude then that there is a combine.

The next question is, should the combine be broken and its development arrested in this way? I hasten to answer that question emphatically in the negative, notwithstanding the apparent enthusiasm of the Minister of Railways. It is very true that the next step from a combine is a monopoly, but then monopoly is the fruit of the system that the government supports. It is the natural ripe fruit of the system which the Canadian government advocates, which is endorsed by modern civilization, and if we are not prepared to eat the fruits we should not be prepared to scatter the seeds. Monopoly is the next step after a combine, and a combine is the result of a competitive system. We cannot escape the fruits. We have to pick them. No little ten-ship organization of the Minister of Railways is going to set back the great tide of a century. It might sound well to say it, but sociologically, historically and scientifically it is absurd, and even if it were not an absurdity, it would certainly not be the policy to follow. Combinations represent progress. Let me just mention some of the things which may be effected through combinations. No one will deny that a combine will render to any country an improvement in service. In the particular case before us, that of shipping, it will result in a more regular service, in a

higher standard of service, and it will also result in the elimination of duplication, and to that extent should lend itself to a reduction in freights. It will stabilize the whole enterprise. It will lead to a stabilization of rates and also to a stabilization of business, for if a business man has to buy large quantities of goods in Europe, and feels that the freight rates are so much to-day, may be twice as much next month, he is hampered in his business. But when he knows that freight rates have been thoroughly regulated, and that he can count upon them being in a stabilized condition it gives him more confidence in the conduct of his business. Then, a combine is conducive to a uniform rate to all merchants, thus giving the smaller merchants an equal opportunity with the larger merchants, and tends to develop trade in places where otherwise it would be impossible to have it developed. So I say that without some such arrangement as combinations, even in the case of shipping, the whole trade would be demoralized and shippers would not obtain good service, nor would workmen engaged in shipping have a living condition. The Minister of Railways recognizes this principle, or did recognize this principle when speaking this evening. He pointed out that it had been begun in western Canada, that the wheat pool to which he referred was the first step, a combination of farmers in the selling of their produce.

The next thing according to the minister as a step towards the reduction of the cost of living was the appointment of the railway commission, and the appointment of that commission was made in order that it might stabilize rates. Here are the two principles. He recognizes the combine principle and he recognizes the controlling principle, but not the Atlantic combine principle. If the government were to go out to meet the needs of the farmers in the west in so far as they would be met by the wheat pool, and practise the same principles they are trying to practise in regard to shipping, what would they do? They would go out and bonus some individual in Winnipeg to start a little elevator all by himself in order to break the wheat combine; but they did not do that. And the farmers had more sense than to do it; they formed a large combine to put the thing over, as they say in popular parlance. But when it comes to the Atlantic it appears the Minister of Railways forgets about the principle exemplified in the wheat pool, he forgets about the principle of controlling rates by commission such as was appointed by the government of Canada in respect to railways, and he says, "We are going to bonus some private company to break the rates for us. We are going to buy one of these individuals out of the combine to see if we cannot break the combine." I repeat that if he could break the combine it would be a very serious matter indeed. It would be turning back the wheels of progress, but as I have no fear of that occurrence, I do not require to express any fears in regard to the continuation of the evolutionary process; rather I would express fears for the government in undertaking such a proposition. I will deal later in my remarks with the method of control, all that I am contending for at the present time is that combines are necessary, combines are not necessarily evil; but combines cannot be broken, and even, if they could be broken it would be very bad business.

The next point is that the government has decided to break the combine. The government has decided to turn back the wheels of progress and has decided to accomplish the impossible. In this regard some hon. members on the government side have laid claim to an amount of courage which should be credited to the government for this great feat. If there is any courage in this regard, that courage is certainly shown in the government risking its life on a policy so ill-advised. Il think however that the lack of enthusiasm which has been so evident on the part of government supporters of this resolution speaks a great deal better for the government than the alleged courage does.

Mr. MEIGHEN: Will the hon. gentleman explain how the government has risked its life? I thought that was just what it was taking care of.

Mr. IRVINE: That is a very fine question, and I, perhaps, ought to take a moment or two to answer. The government, in my opinion, is risking its life in this way, that if the expenditure is permitted— and this seems probable—there cannot possibly come from it any return that will be visible to the Canadian people. If then this government has had the courage to dip into the treasury of an already overtaxed people for $1,350,000 annually to bonus a private company on the other side of the ocean, for which subsidy there is no return, that takes a little bit of courage. Of course I know this is not what it appears to be to the government. The government, I imagine, thinks that before the next election will be too soon to speak of the fruits of this investment; that it will be able to say to the westerners: Behold, we are the great little government

that went forth with the Preston report in one hand and with one million dollars odd in the other and challenged the great leviathan that controls the seven seas. That sounds fine in an election campaign. I do not know of anything that could sound better.

The next thing, I imagine the government think in this regard is this. They know perfectly well that freight rates are due to come down just as everything else is due to come down, and it is probable that by next fall there may be a drop in freight rates from perfectly natural causes. Then they will be able to say: Do you not see what we did? Do you not see what a little bit of courage has brought about? Did we not bring that large combine to its knees? Why, look at the freight rates! That may be the idea of the government. But after all, my faith in the common sense of the Canadian people is greater than to think they will give many votes on the strength of that. Again, we might be mistaken there. It is just possible that the government might be able to get this over once, but the reaping day is sure to come.

The government has decided to attempt this reactionary move and it claims courage in its attempt. But I should like to see the government try out its courage on something that is a little nearer to its hand. Has the government enough courage to break the combine on the Great Lakes? There is a combine right next door to it. Canadian ships are carrying Canadian goods to American ports more cheaply than they are carrying them to Canadian ports, and this government, with its superabundance of courage and with the right to tax the people to get millions for an overseas company,—would it not show a little bit of courage in breaking that combine? I have been suggesting not the breaking of a combine, but the control of a financial monopoly in Canada. I have never seen any evidence of courage on the part of the government with regard to that question. We have a combine in Nova Scotia that this government or the government of Canada has helped to build by subsidizing to the extent of ninety millions of the Canadian people's money. That combine at the present time is a very serious menace to the life and happiness of a great portion of the people of Nova Scotia, and calls have come time and again from those people for assistance, but the government seems to have no courage at all. Even the Minister of Labour (Mr. Murdock) who, I am sorry, is not in his seat, lacks that courage which is claimed for his government, when that problem is put before him. He says he can do nothing in that regard, no matter how much courage he may have secretly hidden in his bosom, because there is a British North America Act. And yet I notice that he is bringing into this House a bill which practically sets forth all that my colleague and I have ever claimed so far as the authority of this government is concerned in dealing with that condition in Nova Scotia. I will not quote that bill; the time will come for that; but I want to point out clearly that there is no evidence of this courage which the hon. member for Lunenburg (Mr. Duff) wanted to claim for his government for having taken this step to subsidize the Petersen company.

But since the government has selected this particular feat as the exemplification of its courage, I want to examine it from two points of view. I want to ask something about the method that the government is employing, and second, what results might with reason be anticipated? If hon. members on the other side of the House argue that they are not trying to break up a combine but to control, then I would say that if the effort that they are about to put forth is going to be at all efficient, it can have no other effect than to break up the combine, because what they are going to do seemingly, if they are going to do anything, is to buy these ships and to reduce freight rates on these ships in order that they may reduce rates generally or, at least, reduce rates on that particular line. It will be agreed surely that unless they reduce rates all around, this scheme will be a colossal failure. But they can reduce rates all around only by forcing each shipping company back to competition in rates, and to go back to cut-throat competition in rates would mean the breaking of the combines, so that is really what they are trying to do. This is not desirable and it is not practicable. Let us look at the method further. I am opposed to the method because it implies granting a subsidy to private companies. There may be occasions when it might be permissible to grant a subsidy. Personally, I am opposed to the principle, and I am very much opposed to it in the case before us. Not only am I opposed to it as a principle, but I am opposed to it because of the past history of the application of the principle in Canadian life. Look for a moment at the subsidizing of the Canadian Northern. We subsidized and subsidized it until it fell into our laps, a culmination which, perhaps, was the best part of its whole history. But nevertheless, that for which we subsidized it never materialized. Then the subsidies which have been granted

to the Canadian Pacific, as was pointed out by some other hon. member, are now a futility in the Supreme court. Other instances of failures as regards subsidizing private companies, failures in the sense that they have never produced that for which the companies were subsidized, are too numerous to mention. The principle involved in this method of subsidizing a private company and also the experiences which we have had by the application of such a principle are sufficient in themselves to condemn this resolution.

But what are the practical results which we may hope to get? I notice that the government supporters of the resolution have not had very much to say about that. They would rather leave that to fate. They appeal to the faith of the House with respect to what we may hope to reap from this outlay. But let me examine briefly the phase of the subject. I have so far pointed out that if the government were successful in securing the reduction of freight rates in the whole north Atlantic trade, it could be so only by breaking the combine, and to break the combine is a reactionary movement. All that any government should attempt in the case of a combine is to safeguard the efficiency in services which that combine makes possible, and to see to it that no monopoly shall operate at the expense of the people. But no government should ever undertake to break up that which natural laws have established. Let us follow this question further. It is not likely that the combine will be smashed, so that we need not worry very much on that score. But what are the likely results if this scheme is put into force? Certainly the world combine is not likely to be beaten so easily. There are some 500 ships in the north Atlantic combine alone, and that is only a little brother. The whole world combine is involved, however, and is it reasonable to suppose that this combine, finding its existence threatened on the north Atlantic, will be absolutely docile and sit quietly by, making no attempt to protect itself? Why, ten ships could make no appreciable difference to the world combine, but the shipping companies see in the present effort a reactionary movement and it is only natural to suppose that they would take steps to oppose it. It is not likely, however, that the combine will sit quietly by. If the combine is as strong as Mr Preston and the Prime Minister (Mr. Mackenzie King), make it out to be, it will not stand by silently while its privileges are being wrested from it by such a small force as ten ships on the Atlantic. Is it not rather a strange situation in which we find ourselves at the present time? The government is asking us to spend $1,300,000 odd to break a combine which we are helping to maintain by retaining in it sixty of our own Canadian Government Merchant Marine ships, operating at a loss. The Canadian merchant marine ships, according to the hon. member for Lunenburg (Mr. Duff) are still in the combine, and the Prime Minister tells us that the combine is so strong that if our ships withdraw from it they will be swept from the seas. Now, if sixty ships cannot afford to withdraw from the combine for fear of destruction how can the government explain the possibility of operating ten ships independently of the combine? These are some of the questions which the government has carefully avoided even so much as referring to. It is possible that the Prime Minister in his undue sensitiveness on the subject found himself at a disadvantage in being called upon to speak rather hastily; but his words will be found in Hansard. According to him the ships of the Canadian merchant marine are in this combine which he is going to tax the Canadian people in order to break, and the Canadian Government Merchant Marine cannot withdraw from the combine with safety. If that is not an absurdity then I do not know what is. But that is the position which the government brings forward for the approval of parliament.

And here is another probable result which was suggested by the hon. member for Nelson (Mr. Bird). If this combine is as strong as Mr. Preston's report alleges and as the Prime Minister states, if it is so strong that we dare not take our own ships from beneath its protecting care, then is it not reasonable to suppose that the combine will say to the government and to Sir William Petersen, "Keep your ten ships for the Canadian trade and we shall wait until you have grown tired of trying to do business with them." How long would it be before the government, under these circumstances, would be wiring to the combine to come to the assistance of Canadian trade? What could ten ships do if all other shipping companies were to withdraw from Canadian trade? It must be borne in mind that the combine, according to the government, is world-wide, and therefore would be in a position to boycott Canada.

Now if the government will persist in its futile attempt to break up the north Atlantic combine, surely the most effective and the easiest way to go about it would be first of all to withdraw from that combine the sixty ships belonging to our national system, and to employ them in Canadian trade. I thought

we were going to get some information from the Minister of Railways as to why it is that use is not being made of the Canadian merchant marine in the Atlantic trade as a means of reducing freight rates. But did any hon. gentleman gather from the minister's remarks the reason for the ships of the merchant marine not being made use of? The minister says that this government is not operating them in this trade because the other government did not. That was the logic of his remarks. Time and time again hon. members on the government side have insisted that the merchant marine is not properly equipped for the Atlantic trade. That is the statement; but we know from the facts that a large number of these ships have both the carrying capacity and the speed, which are the two most important things in any freight carrying trade. Possibly they might need a bulkhead here or there or some alteration of a minor character, but these are not prohibitive reasons for not using the merchant marine. I suggest therefore that if the government is sincere in its efforts to reduce freight rates it should put the whole fleet of the merchant marine into the north Atlantic trade, and if necessary add ten more ships. If this were done some results might be obtained. But the government may say that it would cost a great deal to do this; we might be told that the government would not in this event be able to balance the budget next year any more than they can this year if anything of the kind were done. Hon. gentlemen may argue that way if they will. The fact remains that the Canadian people will have to pay the bill in the long run whether a private company or the government itself undertakes the expenditure. In the case of the latter the people will at least have their capital at the finish, whereas if the present proposal is persisted in there will be nothing to show but the receipts of the Petersen company. But whether the government allows a private company to build these ships or whether it builds them itself, there will be no difference to the Canadian people, who in either case will have to pay for the ships, inasmuch as it will be out of the freight rates charged that the ships will be paid for. So that as a matter of fact the cost will be collected from the people no matter who builds the ships. Any excuse along that line is therefore not intelligent.

It is argued moreover that even if the freight rates cannot be reduced generally as a result of the Petersen fleet of ten vessels, there would be a reduction of rates on the goods carried by those ten ships. Let us grant this point for the sake of argument; let us assume that freight rates on the ten ships will be lower than those generally prevailing. Well, that is the greatest success than can be hoped for from the venture. But is it characteristic of the Petersen company that they will enter into an engagement with the government or with anybody else for that matter to carry on a shipping business at a loss. It is not very likely. It is reasonable to suppose, then, that we are going to pay that company for all the services we are to get in return. I am going to assume that we pay them this million and three-quarter dollars annually, I am going to assume also for the sake of argument—being very liberal with a rather illiberal government—that we are going to get back in reduced freight rates $1,300,000. Now, what have we in return? We have been at all the trouble and expense of collecting $1,300,000 from the pockets of the Canadian people, passing it to the private company, and then collecting it again from the Canadian people in freight rates. And that is supposed to be a reduction in freight rates!

Mr. LOW: Two or three times that amount.

Mr. IRVINE: The hon. minister interjects that we are going to get two or three times that amount. I think if he will go over his figures a little more carefully he will discover that I have given the very highest possible return. Merely because he makes the assertion that we are going to get two or three times that amount is not at all conclusive so far as I am concerned, and I am confident that he will have to furnish much better evidence than he has so far adduced before he will convince the House that we will not give to the Petersen company dollar for dollar,—that inasmuch as we are only giving them $1,300,000, we will not get any more from them in return by way of freight rates reduction. That, then, at the very best is all that we can hope for, and it simply amounts to our taking a dollar out of one pocket, slipping it into the other pocket, and then trying to hypnotize ourselves that we have actually made some money.

Mr. LOW: If I was of that opinion I would drop the resolution at once.

Mr. IRVINE: I am sure the hon. minister would, and I hope before I get through he will have arrived at that opinion, to drop the resolution is one of the things I am going to urge the government to do. But for the present I am trying to show that the utmost to be expected from this proposal is the reduction of freight rates to some extent in connection with the ten ships that the government proposes to subsidize; there is no possible hope of any other result.

My next point is that while combines are the necessary outcome of the system under which we are living, monopolies must be prevented. Since we cannot turn back the wheels of time and progress by reverting to cut-throat competition, as we would have to do if we followed the policy of the administration, we are forced to contemplate some method of controlling a combine so as to prevent it from becoming a monopoly. Now, let there be no misunderstanding so far as I am concerned. I am just as well aware as the government is that ocean freight rates are high; I am just as well satisfied as the government is that they might be a little bit lower; I am also just as well satisfied as the government is that the people of Canada, and particularly the people of the western provinces, are desirous of securing cheaper transportation rates—all these things are frankly admitted. Merely because I am opposing what seems to me from every angle to be almost an absurdity, and what certainly gives no promise of being anything but an utter futility, I do not want it to appear that I am content with the ocean freight rates as they are, I do not want people to imagine that I would welcome a great combine or a powerful corporation or a monopoly controlling freight rates, I am just as anxious to see rates reduced, perhaps a little more so than the government is; but the reduction desired can only come about by a control which will have to be much more authoritative and much more fundamental than anything that the government has so far suggested. The amendment which has been moved by an hon. member of the official opposition (Mr. Clark) at least points in the direction of an adequate control. It is not as positive as I should like to see it, it is not as specific in regard to the time within which action should be taken as I should like to see it, it does not go as far as I should like to see it go; but it at least has a stronger appeal to me—and I think to my colleague (Mr. Woodsworth)—than the proposal which I have been criticizing. It will be apparent also to the House that if I had a better proposal—which I have the conceit to think I have—the rules of the House, so celebrated and so acceptable, prohibit me from embodying my proposal in an amendment to the present amendment. Consequently my colleague and I are in the position of having either to vote for what we believe to be an absurdity or at best a futility or for an amendment which does not go as far as we would desire. We are forced to vote for the amendment because it points towards a control which we believe to be the only practical solution. It may be that it will take a longer time to gain our ends if we take the course indicated by the amendment, but when such control is secured it will be efficient.

The Minister of Railways is very emphatic in his opinion that because an attempt to secure control of ocean freight rates by the co-operation of the dominions with the Mother Country in 1910 was a failure, that therefore it is going to be a failure now and forever more, and he predicts with a sweeping prophetic enthusiasm that nothing may ever be expected to come out of any such proposal. I want to be as enthusiastic and as sweeping in my prophecy that nothing will ever come out of this pigmy of a proposal brought forward by the government. There are hon. gentlemen in this House who have protested in times gone by that they did not want to vote for a subsidy, and I hope that if they be led into voting for this subsidy they will remember the criticisms which they have directed against other hon. gentlemen in preceding parliaments who blundered in this regard. I venture to say, Mr. Speaker, that ten years from now—yes, a shorter time than ten years—there will be hon. gentlemen in this House who will condemn us for having voted a subsidy for such a proposal as this.

10 p.m.

Control of a world combine is only possible by a world force: that world force can only be secured by the co-operation of the nations affected to secure the alleviation desired. If that attempt fail, then we should have to think of some other way to effect our purpose. But we are told that although this method proposed by the government may not get very far, at least it is trying, yes, it is trying to do something, and at least it is immediate in its application. So far as I can see all that is immediate about it is the expenditure of $1,300,000. That is very immediate—more immediate than is comfortable for the people of Canada; but the reduction of freight rates is remote, and so far the government has advanced no vestige of reason calculated to interest anybody who has been thinking about the matter and to arouse in him the slightest hope that any very beneficial result will crown the enterprise.

Now it would appear to me that when we have admitted the existence of a combine and when we have admitted high freight rates, we will have to admit something more than that. This parliament, it seems to me, will have to admit that Canada, by virtue of her geographical position, by virtue of her climatic conditions, by virtue of the whole nature of her industrial life, must institute a different

kind of policy than the one that is being followed at the present time. The policy at the present time would appear to be a policy of shipping out of the country as much as we possibly can; if we have not ships to carry our goods out, pay somebody to provide ships for that purpose—rather than a policy by which we will be able to approach a little nearer to a condition of self support. I will not develop this point at the moment, because I anticipate there will be an opportunity later for dealing more specifically with a general policy for Canada. But I will say this: that if the government had half as much courage as some of its members claim it would come forward with a policy that would depend less upon the caprice of shipping companies on the north Atlantic and much more upon the intelligence and the industry and the economic ability of our own people.

Now, it is argued that we should let this Petersen contract go to a committee; that if the proposal only arrives at a committee, although it has no sense in it now it might perhaps become sensible then. That is the argument that has been adopted by some hon. members. I do not hold that opinion. I see no intellectual virtue in a committee. That, however, is not really the question. I want to make it very clear that we are not voting, as some hon. members seem to think, to investigate the whole question of freight rates and combines and the proposals which might be put forward as a result of the knowledge we might thereby gather; that is not the question before this House. The question is whether we are going to endorse a specific agreement no letter or word of which we are permitted to alter in any particular. I want to cite in this connection the position taken by the hon. member for Red Deer (Mr. Speakman), a position which I took to be a very strong one and which that hon. gentleman will have to hold, it seems to me, since there has been no change in the situation since he made his speech. He says in regard to this very point:

> A bill after it has had its second reading is accepted in principle, the principle of the bill is accepted when the House agrees to its second reading. So that parliament, having accepted the principle of the bill in this instance, the bill itself could not be subject to any severe modifications on the part of a special committee.

The Prime Minister (Mr. Mackenzie King) made some remarks in regard to that which I will quote if anyone objects to my interpretation of them. The interpretation which I put upon his remarks is simply this: That we can have a committee after the House has endorsed the principle which the committee is supposed to decide upon, we can send for Sir William Petersen and some other people and some changes may possibly be made, provided that Sir William Petersen and the government agree to them. The idea was to hold out the hope to those who have taken a very strong position that if the matter went to a committee something better might come out of it. But I want to point out here that if the Prime Minister was really sincere in that position, the easiest way out of the difficulty is to drop the proposal entirely and bring in a new one which would embody what he proposes to be willing to grant. Then there would be no difficulty about anybody voting. We will all vote for an investigation, because we desire it; we will all vote for a method of reducing freight rates, because we need it. That is not the question however, the question is whether we are to give the endorsation of this House to the principle embodied in a document which no committee, which not even the House, has the right to amend. That, as I understand it, is the situation, and so far as I am concerned, —and I think I speak also for the leader of the Labour party (Mr. Woodsworth) in this regard—I shall not be able to vote for the government's proposal. I shall support the amendment.

There is one more point I want to note: Parliament seems to have a strange psychological reaction on some people. I am not now reflecting on any hon. member; I have no doubt that if we could "see ourselves as others see us" perhaps I would be noting my own psychological reaction instead of that of other people. But the fact remains that hon. gentlemen have stood up and made what seemed to be very excellent proposals with regard to the reduction of freight rates. I refer in particular to the outline of a scheme that was put forward in the House last evening by the hon. member for Waterloo (Mr. Euler), which was to acquire the Canadian Pacific Railway and join it up with the Canadian National; to utilize the present merchant marine and to belt the world with our own lines of transportation. That was, to him, a better way; that was the real way; that was the way that he said we would ultimately have to accept. He also protested that he was not in favour of the principle of subsidizing. Yet, like many other hon. gentlemen, he said, in effect, "While I am not in favour of subsidizing; while I know there is a better way, I am going to vote for the subsidy—I am going to vote for a secondary way in which I have very little faith." That is

the strange psychological reaction which I have noticed. My own, may, as I say, come out in some other regards, but it is not going to come out in this. I am opposed to subsidies in general; I am opposed to this subsidy in particular; and I am going to vote against the resolution. If all hon. members who do not believe in subsidies and who do not believe in the ultimate rewards from this particular agreement, will do the same, then the Minister of Trade and Commerce will have to withdraw his resolution and obey the real will of parliament. That will, judging by the expressions of hon. members, would appear to be that a special committee should be appointed to make a complete investigation of the whole question of combines and ocean freight rates, and also recommend to parliament some practical scheme to control the shipping combine. But we cannot hope for this if we vote for the resolution.

Hon. J. E. SINCLAIR (Queens): Mr. Speaker, I wish to say a few words on the very important question that is now being considered by the House, and in doing so may I make one reference to the remarks of the hon. member for East Calgary (Mr. Irvine). He began his address by asking if there was a combine in north Atlantic rates, and immediately gave his conclusion that there was a combine; and he left the impression that there was no proof, or nothing that we could base a conclusion upon, to show it, that there was a monopoly. I will refer to that a little later in my remarks when I touch upon an investigation that was made by the Royal Commission on Shipping Rings. But let me follow his logic a little further. He told us that it was a mistake, that it was turning back the wheels of progress to break combinations, to destroy combines; and in the next breath he chided the government for not trying to break the combine on the Great Lakes, for not trying to tear down the financial institutions of this country, and for not interfering with the trouble in Nova Scotia. I do not think, Sir, it is necessary for me to follow further the remarks of the hon. member for East Calgary.

Now, Sir, in approaching the discussion of this question I wish to review the history of efforts to deal with ocean transportation and to control freight rates during the years that have passed in order, if possible, to throw some light upon this very important subject. My colleague the Minister of Railways and Canals in his speech this afternoon and evening went fairly extensively into the attitude of the government of Canada on the matter and the correspondence which this

government has had with the Imperial authorities. Perhaps I may be permitted to add to the information which he gave the House by reviewing, to some extent, the investigations that have taken place under different governments that were interested in endeavouring to get some measure of control in this matter. Because, Sir, the principle involved in the present arrangement is whether the Canadian government is justified in endeavouring to secure control to some extent over these rates. That is the undoubted principle involved although some hon. gentlemen have endeavoured to thrust that fact into the back ground and to lead the discussion into other channels.

Now let us go back a few years and consider what investigations have been made. I think the first was undertaken at the instance of the British government in 1906 when they appointed a Royal Commission on Shipping Rings. That commission spent nearly three years in investigating the matter and as a result of its inquiries two reports were presented, a majority report and a minority report. In brief the conclusions submitted in the majority report were that a conference existed and that it controlled freight rates in British shipping particularly in the north Atlantic trade; that although the conference was a benefit in many ways, nevertheless through its agency steamship owners were able to effect collective bargaining, a thing which they could not otherwise hope to arrange; and as a remedial measure it was suggested that the shippers and exporters from other countries should unite and form themselves into a counter combination so that they might be able to combat the influence of the shipping rings. The further recommendation was made that the board of trade should be empowered to endeavour to promote a settlement by conciliation where a conflict of interests existed between ship owners and the conference. In my opinion the suggestion for a union to bring about a counter combination was an utterly futile proposition, because it was impossible to unite in any such arrangement shippers and exporters from the other countries of the world from whom the shipping rings secured their traffic. I think those gentlemen knew the idea was impossible to realize when they suggested it; and the further idea to employ a conciliatory method was, so to speak, a case of damning with faint praise the proposition to exercise control.

The report of the minority not only confirmed the finding of the majority that there was a combine or conference but went

further and stated that an actual monopoly existed. I should like here to read a few clauses from the findings of the minority report to show just what conclusions were arrived at:

> The conference system with the deferred rebate—the natural evolution of a highly organized trade dealing with customers for the most part scattered or disorganized—has created on almost all the chief ocean routes a monopoly, the limitations upon which are in many cases illusory, and which generally tend to decline.

The minority also arrived at this conclusion:

> It has been successful in raising or keeping up rates.
>
> The public have, as a rule, to pay higher rates of freight than they would pay in an open market.
>
> The system tends to inflate the amount of tonnage and consequently the amount of capital invested upon which interest has to be paid.

I want the House to notice particularly the latter conclusion because the condition to which it refers is partly responsible for the state of affairs from which we are suffering to-day,—the result of the control that has been exercised by unduly inflated rates has encouraged more than the required amount of capital to be invested in shipping lines and we to-day have more ships than there are cargoes available for them which the report states tends to decline. The minority report, as did the majority report, also recommended power to be given to the board of trade to try and bring about a settlement by conciliation. However, the recommendations reflect very much the viewpoint which is held in Great Britain, and which was so well referred to by the Minister of Railways in his speech, that we in Canada need not expect our interests to be looked after by the Imperial Shipping Committee, or any other body appointed by the British government in the matter of the control of rates. There was a reservation in the minority report made by Sir David Barbour which I think is worthy of notice:

> For example, it has happened in the past, and will happen in the future, that the members of a shipping ring have miscalculated the prospects of trade, and have provided more ships than the trade really requires or can employ.
>
> In such cases there will be a very strong temptation to pass the loss on to the public and the existence of a monopoly affords an easy and convenient means of so doing.

I think, Mr. Speaker, the situation revealed by the extracts I have quoted resembles the very situation that we in Canada are in to-day: The ocean rates are high, and they are controlled and kept up by the influences behind the North Atlantic Steamship Conference, and they are kept up to a point which is necessary to enable those who are interested in the shipping companies to get a return on an investment greater than the trade conditions call for. I will demonstrate that a little later on in my remarks. I think I have shown that the British investigations disclose that there is a combine or a monopoly, that it inflates rates to an undue figure, and that they are kept at that high point by the power which the combine is able to exercise through collective action.

I think it is only necessary for me to make a passing reference to other investigations in Great Britain. The inquiry made by the Dominions Royal Commission was referred to by the Minister of Trade and Commerce in introducing the present resolution, and was again dealt with in considerable detail by the Minister of Railways and Canals in his speech to-night. I shall not repeat the statements of my colleague, but will content myself by mentioning one outstanding point which I think bears directly on the amendment moved by the hon. member for Burrard (Mr. Clark). That is that in 1910 the British government refused to consent to any measure of control when asked to do so by the Canadian government, the British authorities suggesting further investigation. My hon. friend from West York (Sir Henry Drayton), who went to Great Britain two years later in the hope of finding the British government in such a frame of mind that they would consent at least to some measure of control, made a report. I have that report in my hand and I will read one or two sentences from it to show that really my hon. friend must have mellowed down when he was in the Old Country, because among other things he made a recommendation for further investigation. He said:

> With this end in view I endeavoured to obtain the appointment of a joint commission to make a thorough and complete investigation of and to report on the methods and practices, and rates and charges of ocean carriers doing business or from time to time doing business, between ports in the United Kingdom and ports in the Dominion of Canada.
>
> I further impressed upon the Imperial authorities that it was the desire of the Canadian government that the investigation should be entered on in the near future, and if possible a report made so as to enable any necessary action to be taken by that government at the ensuing session of parliament.

Hon members will see that after the British government had refused to take action and wanted further investigation, the hon. member for West York fell in with their viewpoint, and so recommended when he came back to Canada. It is simply carrying on an interminable investigation, which is the object of the amendment moved to this resolution by our hon. friends opposite. I think, Mr. Speaker, that with the information in

the hands of the government, the time has come when people of this country desire that the government shall act with the precision and carefulness that are necessary in all matters of this kind. I wish to more fully emphasize the conditions that exist; because after all, in facing this question, we must face it in the light of the answer to the question; does a condition exist such as we believe, and if so, have we any better method or proposal to suggest than that which is put forward by the government at the present time? I submit that up to the present, Mr. Speaker, no suggestion of a constructive kind has been put forward to take the place of the one proposed by the government. I do not think, after considering all the circumstances of the case, that any better proposal can be put forward by one of the overseas dominions acting alone than the resolution at present before the House. Before dealing with that matter I want to cite to the House the result of an investigation that was held by the government of the United States in 1913. They were troubled, as Canada has been, with high freight rates; they desired to keep the Atlantic clear for American commerce, and they felt the pressure of control exercised by the shipping companies, with the result that they referred the question to the standing committee on Merchant Marine and Fisheries of the House of Representatives at Washington. I will just read the reference made to the committee on the 18th June, 1912:

> That the committee be empowered and directed to make a complete investigation of the methods and practices of the various ship lines both domestic and foreign engaged in carrying overseas or foreign commerce, to investigate whether any such shipping lines have formed any agreement, understanding, working arrangement, conferences, pools, or other combinations among one another for the purpose of fixing rates and tariffs, or of giving and receiving rebates, special rates or other special privileges or advantages, or for the purpose of pooling or dividing their earnings, losses or traffic, or for the purpose of preventing or destroying competition.

That is the very thing in which we are interested in the proposal we are now considering in this chamber. This committee began their sittings in January, 1913, and took evidence from the steamship owners, from the commission merchants, from the exporters and business men along the Atlantic coast who were directly and personally interested in American exports and imports. I say further by way of explanation that I have not been able to find that the committee made a report to the House of Representatives, but they did submit the evidence for the consideration of the House, and I will cite a few of the main paragraphs from the evidence thus submitted. Let me first refer to some evidence that was submitted by a gentleman in New York, with regard to the control exercised by European lines over the American Brazilian lines. The gentleman who was giving evidence was Mr. Sydney Story, vice president of the Pan-American Mail Steamship Company of New Orleans. He said:

> There is no doubt in the world that there is a great war being waged against the commerce of our country by our aggressive commercial rivals. When I was in Brazil last, negotiating with the government for aid to this American effort of ours from New Orleans, it was openly stated on the streets by the friends of the European lines who control the monopoly of transportation between North and South America that our line would not be permitted to exist; that we would be run out of the trade in from four to five months.

That is the evidence of a gentleman who was negotiating with the steamship lines trying to make an arrangement between Brazil and the United States. Further evidence was given by a New York agent of another Brazilian steamship company, Mr. Joseph J. Slechta. He said:

> So, as regards most of the trans-Atlantic business, you must bear in mind the fact that Brazil has for one hundred years been very largely dependent upon the development of her commerce, entirely upon her foreign commerce, and if she were to discriminate, or to take any really very severe measures against these lines, their boycotting would hurt the country very seriously. And that is the situation with which they are confronted, although, I must advise the committee at this point that upon receiving your summons the other day I cabled the situation to my head office, and received the reply that their own government was taking steps to effectively put the combine out of business. I asked for further details, which I have not received, although I am momentarily expecting an answer about it.

That evidence shows two things which probably might be taken into consideration by us, and that is that Brazil had been struggling for many years, a hundred years perhaps, to overcome the effects of the unfair control thus exercised, and that the government in the end, after a hundred years of attempt, had to try to break the monopoly by granting a subsidy to other lines to come in and operate. Perhaps it would be interesting for the House to hear a little from the evidence of William Harris Douglas of the firm of Arkell & Douglas, exporters in New York city, who gave evidence stating very clearly his opinion in regard to a monopoly. Mr. Douglas said:

> The Chairman: Tell the committee what, if anything, you know about conditions of the trade—the relations between the ship lines with whom you transact business.
>
> Mr. Douglas: The American carrying trade, as we all know, is monopolized by the foreign steamship owners. It is a combination of the English and Ger-

man and other nations. They have their established lines from our ports running in all directions, you might say, and they cover the world. These lines are largely in combination between themselves, and their ramifications extend to Hamburg and London, and they exchange their conferences in Europe, because there is the head and front of the combination in America, and the idea that the ocean is free is one of the fallacies of the American nation. The control of the ocean to-day, of all oceans, is a stronger and more pronounced and determined monopoly, you might say, than any intercolonial trade in our states; that is, by railroad or water transportations. They absolutely dominate the entire situation.

I might cite other evidence of that nature, but I have cited these extracts to show the tenor of the evidence given by those who are interested in American trade. Some of the commission merchants went on further to show how completely they were under the control of the combine, how trade was suffering, and also why, in their opinion, the government agency was the only power that could break this combine or take any steps towards doing so.

Another feature which we might note is in regard to the methods that were put forth by the steamship companies in the earlier days, ten or twelve years ago, to get control of the lines that were outside of the conference. Evidence is submitted here which clearly shows that there was an organized effort, and that wherever a line was put on to compete with the conference lines, fighting ships were sent in to carry freight at a lower rate. In the end these lines were put out of business or absorbed by the line which went in the first place to provide the fighting ships. By that method used in those years of driving any independent line into the conference or out of business, they were able to get control which extended its effects to the commerce of both Canada and the United States and, indeed, to the commerce of all overseas dominions and foreign nations.

There is further evidence given by leading shipping men to show that all countries had to assist their steamship lines by means of subsidies or money assistance in order to keep their channels of commerce free. I think I may briefly say that the result of the investigation by the committee of the House of Representatives at Washington was that the American government endeavoured to provide ships of their own, but it will be noted from the remarks that were made by the Minister of Railways and Canals (Mr. Graham) this afternoon, and by following what was done by the American people with their merchant marine, that it has proved of no avail to control Atlantic rates with ships owned exclusively on this side of the water.

Perhaps I might say, just in passing, that another obstacle met by our merchant marine in trying to get control of Atlantic trade is the fact that the port facilities and harbours are controlled by those who control the Atlantic lines, and unless you get some measure of control in the Old Country you have very little effect in trying to fight the lines from this end. You cannot send ships over there and have them come back empty. Unless you get in with the shipping interests in the Old Country who control the ports, port facilities and brokerage houses, you have not much chance of getting freight coming back. We feel that in the proposal that is here offered that weakness will be overcome, by reason of the fact that the person with whom the contract is made is in a position to over come the weakness on the British side.

Let me say a word further in regard to criticisms that have been offered as regards the merchant marine. We have been criticized from different parts of this House for not using the merchant marine to break the combine. I do not wish to give my opinion, but something has been said as to the suitability of the merchant marine for ocean traffic. I will show in a few minutes who benefit most from the proposal that is being put forward in getting control of rates. But first let me read the evidence which was given before the special committee of this House on agricultural conditions that sat in 1923 by a leading cattle broker in the city of Montreal, and I think his evidence will bear me out. This is the evidence given by Mr. Duncan A. Campbell of Montreal, who is a cattle broker and whose business it is, as stated in the evidence, to secure space and make shipments of cattle for his clients in this country:

Q. You have placed in my hands, Mr. Campbell, a statement of animals carried on board the Canadian Commander, the Canadian Hunter, the Canadian Trader, the Canadian Ranger, the Canadian Raider, the Canadian Victor, and the Canadian Rancher.—A. For the season of 1921?

Q. In the season of 1921?—A. Yes.

Q. There was in all carried 2,830?—A. Yes, sir.

Q. With a loss of 95, making a loss ratio of 3.35 per cent?—A. Yes.

Q. Will you tell the committee whether that is a large or small ratio?—A. I told the gentlemen here, that we can insure cattle—well, to go back a little further, that you may have all the information in connection with insurance. When, after the close of the war, I went to New York to get insurance, the best rate I could get was one and a half per cent. I was first quoted two per cent, but I succeeded in getting one and a half per cent. Afterwards, I got it down to one per cent, and then three-quarters. During the month of May and the early part of June last year, it was three-quarters. We then got a rate of five-eighths of one per cent. That is an all-risk policy, covering the animal from the moment he walks aboard the steamer until he walks ashore down the gangway on the other side. An animal which is unable to walk

ashore on the other side is taken over by the insurance company and the shipper is paid the full amount of his policy. For instance, if the animal is insured for $150, the owner of the policy gets $150.

Q. The full amount of the policy?—A. The full amount of the policy.

Q. This is a heavy list then?—A. Yes, this is 3.35, and the other is .62½.

Q. What is the matter, Mr. Campbell?—A. These are not good cattle carriers.

And I want the House to note particularly this statement:

The chief reason is that the decks on these steamers are three feet high, as high as this table. With a deck of that height, cattle are carried on both sides, cattle are placed on top of them, and there is no place that you can brace the deck to, because the deck fittings come over the side fittings, and when a wave strikes it, they smash, the cattle fall into the hold of the ship, or are knocked into the winches. In one boat we had a big loss; there was a big storm, and the whole upper deck load of cattle was washed overboard.

Q. They cannot be altered any way to make them suitable?—A. During the months of May, June or July, or the first of August, these would not be very suitable, but in a pinch they would do.

Q. Is there any practical way in which these ships of the government marine can be altered to make them suitable for carrying cattle?—A. No.

The most important thing for many of our farmers, especially those of central and western Canada, is the cattle business; and what has been said in regard to cattle is equally true of other kinds of freight so far as the construction of these ships is concerned. Mr. Campbell went on further in his evidence to show that the type of ship built during the war was not such as could be used to good advantage in the Atlantic trade owing to the large hatches and low sides. It is not necessary for me to go further into that question, but I think that the experience of the past few years, both on the part of the late government as well as on the part of this government, in connection with the management of the merchant marine, shows no hope of our being able to control Atlantic freights through the operation of the vessels of the Canadian Government Merchant Marine.

Something has been said on the subject of open rates on cattle, grain and flour. I do not want to spend too much time quoting, but evidence was given before the committee on Agricultural Conditions by Mr. Cunningham which will be found on pages 220 and 221, showing that the rates on wheat, flour and cattle are agreed upon at New York as well as by the liner committee at Montreal. You may call them open rates if you like, but the evidence is that none of those who sit in at the conferences change the rate without notifying the others, and the rates are not made public any length of time in advance. As a matter of fact, it is difficult to know in advance just what the rates are going to be.

Let me refer now to another phase of the subject, the necessity for Canada as an exporting country to have some measure of control over the rates. Our export trade during the fiscal year 1924 amounted to $1,045,351,056, of which total the sum of $360,057,782 went to the United Kingdom. Of that $360,000,000 odd the products of the farms of Canada accounted for $287,008,560; in other words, 80 per cent of the total exports to the United Kingdom went from Canadian farms. With that ratio of export trade going from the farms of Canada I submit that it is very essential, from the farmer's standpoint, that some measure of control be exercised if possible by the government over the rates at which farm produce is carried. I have here a table of rates showing the increase which has occurred in every case, and with the permission of the House I shall place it on Hansard:

OCEAN FREIGHT RATES ON UNDERMENTIONED COMMODITIES FROM EASTERN CANADIAN PORTS TO UNITED KINGDOM PORTS FOR YEARS 1914 and 1924

Commodities	Jan. to Aug. 1914	March to Dec. 1924	Increase %
Can. Vegetables	.17.09 per 100 pounds	50c. per 100 pounds	192
Can. Fish including Lobster and Salmon	.17.09 per 100 pounds	50c. per 100 pounds	192
Cured and Pickled Meats	.23.63 per 100 pounds	50c per 100 pounds	112
Prepared (canned) meats	.17.09 per 100 pounds	50c. per 100 pounds	192
Cheese	.31.32 per 100 pounds	60c. to 70c. per 100 pounds	108
Butter	.37.09 per 100 pounds	$1.00 per 100 pounds	170
Condensed Milk	.17.09 per 100 pounds	50c. per 100 pounds	192
Cattle	10.00 per head	$20.00 per head	100
Wheat (Liner)	1/3—3/6 per (qtr.) 30c. to 84c. per (qtr.)	2/3—3/9 per qtr. 55c. to 90c. per qtr.	27
Wheat (Tramp)	2/—3/9 per (qtr.) 50c. to 90c. per (qtr.)	3/ —4/3 per qtr. 72c. to 1.05 per qtr.	25
Flour	.12c. per 100 pounds	19c. to 22c. per 100 pounds	67
Meal (Oat)	.12c. per 100 pounds	19c. to 22c. per 100 pounds	67
Leather	.34.17 per 100 pounds	85c. per 100 pounds	148
Vehicles	.15.66 per cu. ft.	25c. per cu. ft.	60
Autos	.10.40 per cu. ft.	25c. per cu. ft.	140
Potatoes	No movement	50c. per 100 pounds	
Sugar (Refined)	No movement (rate 13c. per 100)	25c. per 100 pounds	95
Rubber Tires	.11.025 per cu. ft.	25c. per cu. ft.	127
Hay	.17c. to 20c. per 100	30c. per 100 pounds	62
Apples	75c. per barrel	90c. per bbl.	20
Lumber (heavy)	50s. to 85s. per std. (1,980 ft.) $12.16 to $20.67	80s. per std. (1,980 ft.) $19.46	19
Lumber (light)	40s. to 75s. per std. (1,980 ft.) $9.73 to $18.24 per std. (1,980 ft.)	70s. per std. (1,980 ft.) $17.03 per std. (1,980 ft.)	22

ARTICLES OF COMMON EXPORT TO UNITED KINGDOM

For year ending March 31st, 1924.

Article	Quantity	Value	Freight
Canned Vegetables	10,629,278 lbs.	$ 867,916	$ 53,146 50
Canned Fish:			
Lobsters	30,773 cwt.	2,002,168	15,386 50
Salmon	152,631 cwt.	3,430,153	76,315 50
Total Canned fish	183,404 cwt.	5,432,321	
Fruit—Apples	1,537,996 bbls.	6,739,347	1,383,196 40
Cured, Pickled or prepared meats	985,601 cwt.	17,876,255	492,800 50
Milk and its Products:			
Cheese	1,103,816 cwt.	22,153,209	217,480 40
Butter	4,371,197 lbs.	1,522,145	43,711 97
Condensed milk	127,849 cwt.	1,241,221	63,924 50
Total milk and products	.....	$ 24,916,575	
Cattle	59,486	6,287,815	1,189,720 00
Wheat	173,221,251 bus.	177,742,273	17,846,228 76
Flour	4,234,084 bbls.	22,188,665	867,987 22
Meal—(Breadstuffs)	515,924 cwt.	1,656,470	105,764 42
Lumber and Timber:			
Planks and boards—Pine	49,409 m.ft.	3,587,123	
Planks and boards—Fir	8,500 m.ft.	328,898	2,323,393 36
Planks and boards—Spruce	200,984 m.ft.	5,819,069	
Timber	11,505 m.ft.	352,288	113,082 06
Total lumber and timber	270,398 m.ft.	10,087,378	
Leather	2,382,888 lbs.	1,038,511	20,254 54
Automobiles	10,532	6,632,681	631,920 00
Potatoes	.....	.....	.....
Sugar	883,792 cwt.	8,744,604	220,948 00
Rubber tires	135,742	1,364,595	60,600 00
Hay	23,757 tons.	335,214	162,540 00

I might explain here that very few cattle were moving at that time owing to the market. A year or two ago the rate on cattle was higher than it is to-day. The rate on apples was very much higher some time ago, and if hon. gentlemen will refer to the evidence of Mr. Chase, given before the special committee on Agricultural Conditions, they will find an interesting statement in regard to the method used in getting the freight on apples reduced by competition between the Norwegian steamers and the regular vessels. This is a flat rate. The rate on cold air storage is usually very much higher. In looking over these figures it will be noted that the increase has ranged from 150 to 192 per cent on the main articles of export from our farms. With that condition obtaining, coupled with the low prices that the farmer has to take for his produce to-day, it is impossible to keep our export routes open in a way profitable to the Canadian farmer. Therefore from that standpoint alone I submit the government are fairly justified in taking action; indeed, they would be subject to severe criticism if they took no steps to secure a measure of control over the ocean carriers.

There is another feature which I want to place before the House, and that is the general condition of world tonnage which I referred to a little while ago. The following statement compiled from the British Board of Trade report is illuminating:

Statement of Shiping Compiled from British Board of Trade Report

	No. of ships	Gross tonnage
Worlds Gross Tonnage to-day..	.....	64,023,567
Worlds Gross Tonnage, 1921.. ..	28,433	61,974,653
Worlds Gross Tonnage, 1913.. ..	30,591	46,970,113
Br. Empire owned, 1921..	10,324	22,070,798
Br. Empire owned, 1913..	11,287	20,431,543
United States owned, 1921.. ..	4,343	17,026,002
United States owned, 1913	3,400	5,427,636
Germany owned about 10 per cent of the tonnage afloat in 1913, or about.. ..		6,000,000
Germany owned to-day, less than..		3,000,000

Shipping carried on through the ports of the United Kingdom 1913 vs 1921

Ships arriving with cargoes at ports of United Kingdom for the 10 months ending October showing tonnage carried

	British Ships Tons	Foreign Ships Tons	Total
1913..	26,902,396	14,014,634	40,917,030
1921..	20,944,209	9,920,006	30,914,215
Decrease.. ..	5,908,187	4,094,628	10,002,815

Ships departing with cargoes from ports of United Kingdom for 10 months ending October showing tonnage carried

	British	Foreign	Total
1913..	33,502,553	23,114,486	56,617,039
1921..	19,219,648	9,224,565	28,444,213
Decrease	14,282,905	13,889,921	28,172,826

[Mr. Sinclair.]

It will be observed that the British gross tonnage afloat has increased by 2,000,000 tons, or over 10 per cent, since 1913 as compared with 1921, while the world's tonnage in the same period has increased by 33 per cent. It will also be observed that in 1921 cargoes arriving at ports of the United Kingdom in British ships as compared with 1913 show a decrease of 5,908,187 tons. In 1921 cargoes leaving ports of the United Kingdom in British ships showed, as compared with 1913, a decrease of 14,282,905 tons, or a total decrease in business of 20,191,092 tons, being a decrease of 33⅓ per cent of the tonnage carried in 1913 by British bottoms.

Now, this condition, Mr. Speaker, points to one thing, which I wish to draw to the attention of the House. During the years previous to the war marine competition tended to control rates more or less; but after the war so much new tonnage was built that there is to-day a great deal more gross tonnage afloat than there is cargo tonnage available for it. It figures out at about four ships to handle what three ships could look after. With that condition obtaining, and the power of control of cargo rates in the hands of those who own the shipping, it is not surprising that to-day ocean rates are excessive. There is no doubt that any of us put in the same position would naturally set our rates to yield us a return on our idle ships as well as on those in commission. Consequently the export trade of this and other countries is necessarily charged much higher ocean rates than would be exacted if the law of supply and demand were allowed free play, as it should be to bring about a fair rate structure.

I think it will be admitted by every fair-minded person in the House and in the country after giving careful study to the history of ocean freight rates for the last fifteen years that the North Atlantic Steamship Conference is exercising powers that should not be vested in such a body, and that it is necessary that some action be taken by the government to secure a measure of effective control over the excessive rates now obtaining. This is the question before the House: Is the proposal we are now putting forward the best for meeting the situation? I submit that up to the present time no other method, constructive or otherwise, has been offered in substitution.

The main principle involved in the Petersen contract is the endeavour to secure a measure of control over ocean freight rates. To that end we give assistance to the contractor, Sir William Petersen, in the form of a subsidy to the extent of $1,300,000 odd, annually, provided he gives a certain specified service, and

the subsidy is paid in monthly instalments after the service is rendered; so Sir William Petersen gets nothing in advance, he gets the subsidy only after he has rendered service according to the contract. In return for that subsidy the government reserve to themselves the right to control the ocean rates to be charged by the contractor. In exercising that right they have power to insist that every dollar paid by way of monetary assistance under the contract is reflected back to Canadian importers and exporters in lower ocean freight rates. I submit for the consideration of the House that in so doing we are giving even a greater benefit to the producers of Canada. I am sure, Mr. Speaker, that in regard to export trade at least a large body of the people of this country who are agriculturists will get the greater part of the benefit from the subsidy which is thus paid.

Just one word more, Sir, in regard to the criticism that has been offered in respect to the scope or extent of the effort that is being made by this proposal. It is pointed out that only ten ships are involved. Well, that may be a small number, but it is worth noting that the suggestion of the use of even that number of ships is causing a lot of disturbance and fuss among those who are interested in that business, so they must see something in it. I am convinced that notwithstanding the comparatively small number of ships involved in the proposal, the result will be a favourable effect upon Canadian export trade. If we are to put ourselves in a position to take care of our financial obligations we must look to our export trade and give it all the encouragement we can. It has been a pleasure during the past few years to note the increase of our exports compared with our imports and to see that the balance is on the right side. If we are to maintain that position we must see to it that at least a fair margin of profit is afforded to those who produce the goods which we send to other countries.

I think, Mr. Speaker, I have devoted enough time to presenting the views on this subject which I hold as representative of a province which is altogether agricultural. When the details are under consideration we may have an opportunity of further discussing the benefit which the proposal will bring about to our export trade. We are all anxious, I am sure, to see our Canadian trade directed through Canadian channels. By the operation of the British preference we are enabled to bring a considerable amount of our imports through our Canadian ports and over Canadian railroads, which I think all in this House will look upon as a proper policy. But while we do that in respect to our imports we have very few opportunities of directing our exports through Canadian ports, and it seems to me that by this proposal we shall be able to do more in the way of building up our Canadian ports by exercising a certain amount of control over the channels through which our exports go out of the country.

On motion of Mr. Ross (Kingston) the debate was adjourned.

CANADA-UNITED STATES EXTRADITION TREATY

Mr. SPEAKER: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate doth unite with the House of Commons in the approval of the convention between His Majesty and the President of the United States of America for the purpose of enlarging the list of crimes on account of which extradition may be granted with regard to certain offences committed in the United States or in the Dominion of Canada under the convention concluded between Great Britain and the United States on the 12th July, 1889, and the 13th December, 1900, and the 12th April, 1905, and the 15th May, 1922, which was signed at Washington on the eighth day of January one thousand nine hundred and twenty-five, and which was signed on behalf of His Majesty in respect of Canada by the plenipotentiary therein named, by filling in the blank space therein with the words "Senate and."

On motion of Mr. Mackenzie King the House adjourned at 11.10 p.m.

Monday, March 16, 1925

The House met at three o'clock.

REPORTS AND PAPERS

Additional correspondence in the Department of Trade and Commerce in respect of ocean rates between Canada and Great Britain; also interim report of Canadian marine insurance rates by the Imperial Shipping committee; also interim report on rates of freight on Canadian flour in the North Atlantic by the Imperial Shipping committee; also statement of Imperial Shipping committee on ocean rates on flour and wheat.—Hon. Mr. Low.

INDUSTRIAL DISPUTES INVESTIGATION ACT, 1907

Hon. JAMES MURDOCK (Minister of Labour): I beg to lay on the table of the House, for the information of hon. members, copy of a publication issued by the Department of Labour concerning judicial proceedings respecting constitutional validity of the Industrial Disputes Investigation Act, 1907, and amendments of 1910, 1918 and 1920. This book contains a brief history of the circumstances which resulted in the judicial proceedings, together with the texts of the judgments of the Ontario courts and the Judicial Committee of the Privy Council, the cases for the various parties, the argument before the judicial committee and other co-related data.

INQUIRIES FOR RETURNS

AUSTRALIAN TREATY

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Press notices of government announcements have given the House to understand that a treaty has been made with Australia, and also that this treaty has been ratified by the Australian parliament. May I ask if there is any reason why it has not been presented to this House for ratification, and if so what the reason is, and when we may expect it?

Hon. J. A. ROBB (Acting Minister of Finance): Further negotiations with Australia are in progress.

Mr. MEIGHEN: Do I understand that no treaty has been effected?

Mr. ROBB: After the government of Australia had passed their legislation they passed an order in council changing the percentage that should apply to goods that would come under their tariff. I think my hon. friend understands that under our tariff, if twenty-five per cent of the goods are manufactured within the British Empire they are admitted. That was changed by Australia to seventy-five per cent. So, we are negotiating with them to have this more clearly defined.

Mr. MEIGHEN: Is there any reason why the Acting Minister of Finance should not lay on the table, and perhaps distribute, the treaty as already accepted? It may be subject to these negotiations, but the treaty has now a definite form. I see no reason why we should not have it.

Mr. ROBB: I am not sure that there are any good objections. I will let my hon. friend know later.

[Mr. Mackenzie King.]

REMISSIONS OF TAXATION

On the Orders of the Day:

Sir HENRY DRAYTON: When may we hope for the return called for by section 92 of the Audit Act which directs that returns have to be made of all remissions of taxation and the like, within the first fifteen days after the House opens. I have been unable to find any such return.

Hon. A. B. COPP (Secretary of State): These returns were made a week or two ago.

Sir HENRY DRAYTON: I made inquiry some days ago and my instructions are to the contrary. I communicated with one of the departments which had the matter in charge and understood that returns would be made in a few days.

Mr. COPP: It was brought down a week or two ago.

ROYAL COMMISSIONS

Hon. R. J. MANION (Fort William and Rainy River): A return was ordered to be brought down a week or two ago in regard to the number of royal commissions which have been appointed by the government. I do not know which department it would come under. I have not seen the return yet.

Hon. A. B. COPP (Secretary of State): It was changed to an order for return. Afterwards another question was asked, I understand, by my hon. friend from Winnipeg, and that was changed to an order for return. The whole matter will be brought down shortly.

ORDERS OF SESSION 1924

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): There are not only a large number of orders passed early this session which have not been brought down, but there is an overhang from last session. The government have not managed yet to comply with these orders. I have a list of at least half a dozen moved by hon. gentlemen on this side of the House, and I doubt not that there were some moved by hon. members in other portions of the House. One would think that a year would be sufficient time to comply with these orders, especially as some of them are very simple.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The delay in that regard must have been unintentional. It was an oversight. I will seek to have these returns brought down.

BANK ACT AMENDMENTS

On the Orders of the Day:

Mr. ROBERT FORKE (Brandon): I wish to ask the Prime Minister (Mr. Mackenzie King) or the Minister of Justice (Mr. Lapointe), whether the government proposes to introduce legislation embodying the amendments of the act proposed by the standing committee on Banking and Commerce at the close of last session; and if so, when will the bill be brought down?

Hon. ERNEST LAPOINTE (Minister of Justice): The matter is under consideration, and I think it is the intention of the government to deal with the matter as suggested by the committee.

RURAL CREDITS

On the Orders of the Day:

Mr. H. E. SPENCER (Battle River): Will the government tell us when it is their intention to bring down legislation with regard to rural credits?

Hon. J. A. ROBB (Acting Minister of Finance): I have already informed the House that Dr. Tory was expected in Ottawa this week.

PRIVATE BILLS

CONCRETE SURFACING MACHINERY COMPANY

Mr. E. R. E. CHEVRIER (Ottawa) moved the second reading of Bill No. 20, respecting a patent owned by the Concrete Surfacing Machinery Company.

He said: This bill is for the purpose of reviving a patent. I understand that under the provisions of chapter 44, section 4 of the Patent Act of 1921, this patent was valid until the 10th day of January, 1922. I am also given to understand that the owners thereof failed to manufacture in Canada after January, 1922, and that they also failed to pay the second fee. I am further given to understand that under the provisions of the Patent Act as now constituted, application may be made to this parliament for the purpose of reviving this patent, and that application is now made.

Mr. MEIGHEN: The hon. member has given two very valid reasons why the second reading should not pass. I think he should give us some reason why it should.

Mr. CHEVRIER: As I understand it, in proposing the second reading of a bill this House does not usually go into all the reasons why the bill should be read the second time; but that on the motion for second reading, the bill is referred to the committee to which that bill should go, there to be threshed out, and the committee decide whether the bill should be reported or not.

Motion agreed to on division and bill read the second time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ELEVATOR No. 2, VANCOUVER

Hon. Mr. STEVENS:

1. Who prepared plans for No. 2 elevator, Vancouver, and what was the engineer's estimate of cost?
2. Were tenders called for the erection of said elevator, and if so, in what manner?
3. How many firms tendered, and what are the names of such firms or individuals?
4. What was the amount of the lowest tender?
5. At what figure was the contract awarded, and to whom?
6. What is the total cost to date, based on engineer's approved certificates?
7. How much has actually been paid to said contractor?
8. Has contract been completed? If not, what still remains unfinished?

Hon. Mr. CARDIN:

1. (a) John S. Metcalf Co. Ltd.

(b) Estimate of cost:

Superstructure..	$1,336,292 00
Substructure..	201,813 00
Car unloading plant.. ..	277,616 00
	$1,815,721 00

2. The Northern Construction Co. Ltd. and J. W. Stewart were asked to tender as they were already in possession of the ground on the construction of the Ballantyne pier.
3. The Northern Construction Co. Ltd. and J. W. Stewart.
4. Contract for substructure $190,000, for superstructure, contract was cost plus 10 per cent. Awarded to Northern Construction Co. Ltd. and J. W. Stewart.
5. See answer to No. 4.
6. $1,652,967.72.
7. $1,623,561.45.
8. The contract is completed.

Mr. M. G. WALKER

Mr. ARTHURS:

1. Does the name of one, M. G. Walker or Milton G. Walker, of Winnipeg, appear on the records of any department of the government, as having been at any time employed as a full or part time employee?
2. If so, what were his duties, and what remuneration was paid him?
3. Is he still in the employ of the government either as a temporary or permanent official?
4. If so, what are his duties and what salary does he receive?

Hon. Mr. COPP:

1. No.
2. 3 and 4 answered by No. 1.

DEPUTY MINISTERS

Mr. DOUCET:

What are the names and salaries of deputy ministers, and of those, who though not deputy ministers, held the same rank on December 31, 1921?

Hon. Mr. COPP:

Department of Agriculture: Dr. J. H. Grisdale, Deputy Minister, $5,500.

Department of Public Archives: Dr. A. G. Doughty, Deputy Minister, $6,000.

Auditor General's Office: Mr. E. D. Sutherland, Auditor General, $6,000.

Civil Service Commission: Hon. W. J. Roche, $7,000; Col. M. G. LaRochelle, $6,000; Mr. Clarence Jameson, $6,000.

Department of Customs and Excise: Mr. R. R. Farrow, Commissioner of Customs, $6,000.

Department of External Affairs: Sir Joseph Pope, Deputy Minister, $6,000.

Department of Finance: Mr. J. C. Saunders, Deputy Minister, $6,000.

Governor General's Secretary: Capt. O. H. C. Balfour, $6,000.

Department of Indian Affairs: Mr. Duncan C. Scott, Deputy Superintendent General, $6,000.

Department of Insurance: Mr. G. D. Finlayson, Superintendent of Insurance, $6,000.

Department of the Interior: Mr. W. W. Cory, Deputy Minister, $6,000.

Department of Justice: Mr. E. L. Newcombe, C.M.G., K.C., Deputy Minister, $10,000; Mr. E. R. Cameron, K.C., Rank of Deputy Minister, $6,000.

Department of Labour: Mr. F. A. Acland, Deputy Minister, $6,000.

Department of Marine and Fisheries, Mr. A. Johnston, Deputy Minister, $6,000.

Department of National Defence, Naval Service: C. J. Desbarats, C.M.G., $6,000; Militia Service: Major General Sir E. Fiset, $6,000.

Department of Mines: Dr. Charles Camsell, $6,000.

Royal Canadian Mounted Police: Mr. A. A. McLean, K.C., Financial Comptroller, $6,000.

Post Office Department: Mr. R. M. Coulter, Deputy Postmaster General, $6,000.

Privy Council: Mr. Rodolphe Boudreau, Clerk of the Privy Council, $6,000.

Department of Public Works: Mr. J. B. Hunter, Deputy Minister, $6,000.

Department of Public Printing and Stationery: Mr. F. A. Acland, King's Printer and Controller of Stationery, without remuneration.

Department of Railways and Canals: Major G. A. Bell, Deputy Minister, $6,000.

Department of the Secretary of State: Mr. Thomas Mulvey, Deputy Minister, $6,000.

Department of Trade and Commerce, Mr. F. C. T. O'Hara, Deputy Minister, $6,000; Mr. Geo. F. O'Halloran, Commissioner of Patents, $6,000.

Department of Immigration and Colonization: Mr. W. J. Black, Deputy Minister, $6,000.

Soldiers' Civil Re-establishment: Mr. N. F. Parkinson, M.A., Sc., Deputy Minister, $6,000; Department of Health: Dr. J. A. Amyot, Deputy Minister, $6,000.

Parliamentary Librarians: Hon. Martin Burrell, $6,000; Mr. J. de L. Taché, $6,000.

Clerk of the Senate: Mr. A. E. Blount, C.M.G., $6,000.

Clerk of the House of Commons: Mr. W. B. Northrup, K.C., $6,000.

Chief Electoral Officer: Mr. Oliver M. Biggar, $12,000.

Parliamentary Counsel: Mr. F. H. Gisborne, I.S.O., K.C., $6,000.

PROPOSED VANCOUVER ISOLATION HOSPITAL

Hon. Mr. STEVENS:

1. Has the government received from the city council, Vancouver, a request for a grant towards the construction of an isolation hospital?

2. Is the government aware of the large sum collected, annually, for sick mariners' dues at the port of Vancouver, resulting in a very substantial surplus each year above the cost of caring for sick mariners?

3. Is the government aware that a substantial number of infectious cases are due to sea-borne traffic entering the port of Vancouver?

4. In view of this substantial surplus, is it the intention of the government to accede to the request of the city council for substantial grant to the cost of erection of isolation hospital?

Hon. Mr. BELAND:

1. Yes.

2. There is no substantial difference between the sum collected and the expenditure incurred in connection with the service.

3. No.

4. Answered by No. 2.

BOARD OF GRAIN COMMISSIONERS

Hon. Mr. STEVENS:

1. How many employees were on the staff of the Board of Grain Commissioners, and located at Vancouver, during each month for the crop year ending August 31, 1924: (a) weighmaster's department; (b) inspection department?

2. What was the total amount of grain during crop year ending August 31, 1924: (a) inspected inwards at Vancouver; (b) inspected outwards at Vancouver; (c) weighed inwards; (d) weighed outwards?

3. What is the total revenue derived from: (a) weighing department of the Board of Grain Commis-

sioners at Vancouver for the crop season ending August 31, 1924; (b) inspection department?

Hon. Mr. LOW:

1. (a) 1923: September, 6; October, 7; November, 9; December, 10.

1924: January, 11; February, 11; March, 11; April, 12; May, 12; June, 12; July, 12; August, 12.

(b) 1923: September, 5; October, 6; November, 6; December, 10.

1924: January, 11; February, 16; March, 17; April, 18; May, 17; June, 17; July, 15; August, 17.

2. (a) 53,538,521 bushels.
(b) 53,415,036 bushels.
(c) 53,538,521 bushels.
(d) 53,415,036 bushels.

3. (a) $95,291.
(b) $55,233.

HEALTH APPROPRIATIONS

Mr. CHURCH:

What has been the vote by the parliament of Canada to the provinces for health purposes during the past six years?

Hon. Mr. BELAND: This question refers to a vote by the Parliament of Canada to the provinces for health purposes. A number of votes are passed every year for different associations, which have as their object the furtherance of health conditions in Canada. These are, for instance, the Canadian Association for Prevention of Tuberculosis, Child Welfare Association, Mental Hygiene Council, and some others. I presume, however, the hon. gentleman does not refer to these particular branches. The direct vote by parliament for health purposes during the past six years has been $1,050,000, exclusive of grants to the associations to which I have referred.

OYSTER AREAS

Mr. MacLEAN (Prince):

1. Have any negotiations been carried on between the local government of Prince Edward Island and the Marine and Fisheries Department of the Dominion government for the transfer of the oyster areas of Prince Edward Island back to the control of the Dominion government?

2. If so, what is the nature of those negotiations and how far have they proceeded?

3. Is it the intention of the Dominion government to endeavour to develop and restock these areas if control is given to the Dominion government?

4. Have Nova Scotia and New Brunswick consented to hand over their areas to the Dominion government and has any provision been made for development in those provinces?

Hon. Mr. CARDIN:

1. Yes.

2. The Minister of Marine and Fisheries informed the provincial premier by correspondence that if the divided jurisdiction were removed by placing the administrative control in the hands of his department, such measures as were deemed necessary by it for cleaning up public beds and building up an industry in private oyster culture would be taken. The proposal has not yet been accepted by the provincial government.

3. Answered by No. 2.

4. The Premiers of Nova Scotia and New Brunswick have indicated their willingness to place the administration of the suitable areas in their respective provinces in the hands of the Department of Marine and Fisheries provided mutually satisfactory arrangements for the development of the industry are concluded.

ROYAL GRAIN INQUIRY COMMISSION

Hon. Mr. MANION:

1. What was the personnel of the Royal Grain Inquiry Commission?
2. Who were the counsel of the said commission?
3. What were the fees paid to each of the same?
4. What was the total cost of the commission?

Hon. Mr. LOW:

1. Hon. W. F. Turgeon, Chairman; Prof. W. J. Rutherford, B.S.A., Prof. D. A. McGibbon, Ph.D., Jas. G. Scott, Robert Deachman, Secretary.

2 and 3.

	Remuneration $	Living Allowance $	Total $
D'Arcy Scott, Chief Counsel to Oct. 3rd, 1923	6,950 00	1,350	8,300 00
S. B. Woods, Senior Counsel from Oct. 13, 1923.	15,337 50	2,840	18,177 50
J. F. Fisher, Senior Counsel	7,025 00	11,330	18,335 00
	$29,312 50	15,520	44,832 50
4. Expended to Feb. 28, 1925..			167,610 82
Accounts in hand, pending supplementary vote.... ..			3,000 00
			$170,610 82

PULPWOOD EXPORTS

Mr. MAYBEE:

How many cords of pulpwood have passed through the port of Cobourg, Ontario, during each of the years 1922-23-24-25?

Hon. Mr. BUREAU:

Exports "Pulpwood" through the port of Cobourg, Ontario, during the fiscal years

ended March 1922, 1923 and 1924, and for eleven months ended February 28, 1925.

Fiscal Year	Cords
1922	49,798
1923	64,604
1924	68,674
April 1, 1924 to February 28, 1925,	81,163

CANADIAN NATIONAL RAILWAYS—COAL

Mr. MAYBEE:

How much coal have the National railways purchased from: (a) United States companies; (b) Canadian companies during each of the years 1922-23-24?

Hon. Mr. GRAHAM:

	1922	1923	1924
	Net tons	Net tons	Net tons
(a)	2,955,464	5,432,170	3,204,728
(b)	2,546,735	3,231,897	2,136,311

The quantities of coal shown as having been purchased from United States companies include the following tonnage of coal taken from the Rail and River Coal Company's mines at Belaire, Ohio, which are owned by the Canadian National Railways: 1922, 793,311 tons; 1923, 1,397,991 tons; 1924, 1,266,253 tons. These figures also include approximately one million tons of United States coal purchased yearly from United States companies for use on our United States lines, such as, Grand Trunk Western, Duluth, Winnipeg and Pacific, Portland—Island Pond division, Rouses Point and Fort Covington.

TRANSPORT OF MAIL TO EUROPE

Mr. DENIS (St. Denis):

1. What is the total amount now paid by the Canadian government for the transport of mail to Europe?
2. What are the names of the companies employed for the transport of said mail?

Hon. Mr. MURPHY: 1 and 2. Fiscal year, 1923-24—

Canadian Pacific Steamships Ltd.	$181,536 67
Robert Reford Company	7,160 50
White Star Dominion Line	34,144 75
Total	$222,841 92

DALHOUSIE POST OFFICE

Mr. JONES:

1. What was the nature of the repairs made on the Dalhousie post office, Restigouche county, New Brunswick?
2. Was a specification submitted to contractors inviting tenders for said work?
3. Who made the repairs?
4. What was the cost?

[Mr. Bureau.]

Hon. Mr. KING (Kootenay):

1. Masonry repairs and waterproofing; painting—exterior and interior—and whitening; repairs to plumbing and roof.
2. Yes.
3. Messrs. J. & D. A. Harquail Co. Ltd.
4. $2,065.

CAMPBELLTON POST OFFICE

Mr. JONES:

1. Were tenders invited for repairs and improvements on Campbellton post office, Restigouche county, New Brunswick?
2. If so, how many tendered. what are their names and the amount of each tender?
3. Who made the repairs?
4. What was the nature of said repairs?
5. What was the total cost?

Hon. Mr. KING (Kootenay):

1. Yes.
2. One—Messrs. J. & D. A. Harquail Company, Limited, $1,012.50.
3. Messrs. J. & D. A. Harquail Company, Limited.
4. General repairs, including roof, plastering, joinery, tiling, plumbing, etc., also exterior and interior painting.
5. Cost $1,012.50.

DARTMOUTH PIER

Mr. BLACK (Halifax):

1. From whom was the site for the Dartmouth, Nova Scotia, pier acquired?
2. What was the total amount paid and to be paid for the site?
3. Who is the contractor for the pier, what is the amount of contract, are there any extras on the work, and what is the total cost of the pier exclusive of the site?
4. Is the work of making approaches to the pier included in the foregoing? If not, what is the cost of constructing approaches?
5. Who was the inspector of the work, what are his qualifications for the position, what pay was he allowed, and what is the total payable to him?
6. Was there more than one inspector? If so, who are they?
7. If any inspector was dispensed with, which one was discharged and why?

Hon. Mr. KING (Kootenay):

1. Beazley Brothers.
2. Paid in full, $6,802.
3. (a) Halifax Dredging Company, Limited, and Standard Construction Company, Limited. (b) Approximately $135,659.64 based on approximate quantities. (c) No. (d) Final estimate, $139,063.06 increase due to increased quantities on unit prices basis.
4. Yes.
5. (a) Douglas D. McCulloch, O.A.S. (b) Civil engineer. (c) $6 per working day. (d) $762.
6. Yes, Geo. Young and Geo. Richards employed as assistant inspectors.

7. Geo. Young and Geo. Richards were employed from July 2 to July 4 and July 9 to November 8, 1924, respectively, to check deliveries of material.

CANADIAN NATIONAL RAILWAYS—DEBT

Sir HENRY DRAYTON:

1. What additions were made to the funded and unfunded debt of the Canadian National Railways and affiliated companies during the calendar year 1924?
2. What is the total amount required for interest on funded and unfunded debt of the Canadian National Railways and affiliated companies during the said year 1924?

Hon. Mr. GRAHAM:

1. To the debt to the public.	$ 90,814,026 70
To the debt to the government (including interest).	28,085,159 35
Total..	$118,899,186 05
2. On debt to the public.. ..	$ 38,361,704 14
On debt to the government.	31,271,043 00
	$ 69,632,747 14

The interest on unfunded debt, consisting principally of interest on bank overdrafts, overcharge claims and other small interest payments for the year 1924 was $377,115.47.

Sir HENRY DRAYTON:

1. What additions were made to the funded and unfunded debt of the Canadian National Railways and affiliated companies, exclusive of the obligations of lines in the United States and of separately operated properties during the calendar year 1924?
2. What is the total amount required for interest on funded and unfunded debt of the Canadian National Railways and affiliated companies, exclusive of the obligations of lines in the United States and of separately operated properties during the said year?

Hon. Mr. GRAHAM:

1.	
To the debt to the public..	$90,080,526 70
To the debt to the government, (including interest)	28,085,159 35
Total..	$118,165,686 05
2.	
On debt to the public.. ..	$37,459,173 25
On debt to the government	31,271,043 00
Total..	$68,730,216 25

The interest on unfunded debt, consisting principally of interest on bank overdrafts, overcharge claims, and other small interest payments for the year 1924 was $347,265.10.

WEMBLEY EXPOSITION

Mr. DOUCET:

1. Who were the officers in charge of the Canadian exhibits at the Wembley Exposition in 1924?
2. How many of these were able to speak the two official languages?

Hon. Mr. ROBB:

1. Mr. A. W. Tolmie and Mr. J. O. Turcotte.
2. Both.

GOVERNMENT NEWSPAPER ADVERTISING

Mr. CHAPLIN:

1. In what newspapers in Canada has the advertisement "Canada is coming through" appeared?
2. How much was paid to each newspaper.
3. What is the amount of unpaid obligations in respect to this advertisement?
4. Is it the intention to further continue the advertisement, and if so, for how long?

Hon. Mr. LOW:

1, 2 and 3.

	Amount unpaid
Manitoba Free Press..	$ 369 60
Gazette Printing Company.. ..	258 72
Can. Congress Publishing Company..	100 00
Globe Printing Company..	488 00
Saturday Night..	412 50
MacLeans Magazine..	980 00
Financial Post..	285 00
	2,893 82

Nothing has been paid on account of this advertisement.

4. No.

RURAL ROADS

Mr. DESAULNIERS:

1. How many rural roads were opened to traffic in 1923 and 1924, respectively?
2. What was the total cost for the upkeep of said roads, by provinces?

Hon. Mr. GRAHAM:

1. The Department of Railways and Canals has no information except as to roads constructed or improved under the Canada Highways Act. In 1923, 2,768 miles of rural road were so constructed or improved, and in 1924, 1,936 miles.

2. Maintenance is a purely provincial matter as to which the federal department has no record.

GRAND-MERE CUSTOM HOUSE

Mr. DESAULNIERS:

What was the revenue of the custom house, at Grand-Mère, for the years 1921, 1922, 1923 and 1924, respectively?

Hon. Mr. BUREAU:

Fiscal Year	Amount
1921-1922	$ 98,498.51
1922-1923	99,791.65
1923-1924	144,792.37
1924-1925 (eleven months)	73,034.43

IMPORTS UNDER BRITISH PREFERENCE

Mr. DECHENE:

1. What was the total value of merchandise imported into Canada under the British preference regulations during the years 1922, 1923 and 1924, respectively?
2. What proportion of said merchandise was imported from the British Isles, and what proportion was imported from other parts of the British Empire during each of the above years?
3. What proportion of said merchandise was imported through Canadian ports during each of the above years?

Hon. Mr. LOW:

1. and 2. Imports into Canada under the British preferential tariff during the fiscal years ended March 31, 1922, 1923 and 1924.

Countries whence Imported	1922	1923	1924
United Kingdom	$69,901,949	$93,554,415,	$102,944,427
Africa, British—			
East	6,024	4,791	6,783
South	15,249	90,916	17,405
West—			
Gold coast	12,558	188,601	228,734
Sierra Leone	218	942	23
Other	4,526	29,671	55,537
Bermuda	21,862	54,013	22,672
British East Indies—			
British India	4,784,531	7,569,999	8,648,246
Ceylon	1,931,224	2,601,705	3,055,834
Straits Settlements	220,110	277,607	415,510
Other	.....	.....	381
British Guiana	6,123,685	5,634,137	6,199,838
British Honduras	7,363	17,771	19,133
British West Indies—			
Barbados	2,965,555	4,111,014	7,015,411
Jamaica	2,065,508	4,184,666	3,258,956
Trinidad and Tobago	1,568,403	2,053,661	1,384,101
Other	1,113,040	1,864,284	1,944,845
Oceania—			
Fiji	1,965,843	486,784	6,523
New Zealand	800,448	702,443	823,987
Total Imports under British Preferential Tariff	$93,508,096	123,427,420	$136,048,346

3. The information is not available.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RURAL MAIL ROUTES

Mr. MAYBEE:

1. Has the government established any rural mail routes in the years 1924 or 1925?
2. Have any tenders been asked for in connection with any proposed routes? If so, in what counties, and, from what post offices?
3. Is it the policy of the government to establish any new mail routes?

[Mr. Desaulniers.]

CANADIAN GOVERNMENT MERCHANT MARINE —CATTLE EXPORTS

Mr. BLACK (Halifax):

1. Have any Canadian Government Merchant Marine steamers carried cattle from Montreal, or other Canadian ports, to ports in Great Britain or the continent, during the years 1922, 1923 and 1924? If so, to what ports?
2. What number of cattle were carried each voyage?
3. What rate of freight was paid?
4. What was the net result of this business, voyage by voyage?
5. What was the profit or loss, as the case may be?

CANADIAN NATIONAL RAILWAYS—SHIPMENTS

Mr. SENN:

1. How many carloads of hay and straw were shipped from the following points in Ontario, on the Canadian National Railways in 1923 and 1924:—Caledonia, Hagersville, Seneca, Middleport, Canfield?
2. How many carloads of other farm produce were shipped during the same period from these points?
3. How many carloads of other merchandise were shipped during the same period from these points?

UNOPPOSED MOTIONS FOR PAPERS

CANADIAN NATIONAL RAILWAYS—SALARIES

Mr. R. B. HANSON (York-Sunbury) moved:

For a return showing by districts or regions the number of employees in each of the following classes and the average annual compensation for each employee of such class of the Canadian National Railways:—receiving under $1,000 per year; receiving $1,000 per year or over but under $2,000; receiving $2,000 per year or over but under $3,000; receiving $3,000 per year or over but under $4,000; receiving $4,000 per year or over but under $5,000; and so on until all classes are complete.

Mr. MEIGHEN: Carried.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): No. My hon. friend and I have had some conversation concerning this. The Canadian National board have objections to giving this information, and my hon. friend, I understand, is going to ask to have this motion transferred to the order "Notices of Motion". He wishes to discuss it.

Mr. HANSON: What the minister has said is quite correct, but the only difficulty about that is, at this stage of the session, if it is transferred to the notices of motion, I am afraid it will never be reached. It will enter the land of limbo, and it will never come out. If, however, it is not going to be allowed to pass, I do not know if there is anything I can do but ask that it be transferred to notices of motion.

Mr. GRAHAM: Transferred to notices of motion.

Right Hon. ARTHUR MEIGHEN: (Leader of the Opposition): I do not know that this

can be transferred by so simple a formula as that. I do not like interfering in view of the arrangement made, and I would be prepared to abide by it, although all of us know that if it is transferred to notices of motion it may never be reached. Provided the minister will see that it will be reached during this session, I do not think anyone on this side will object to its being transferred.

Mr. GRAHAM: We had better let it stand. Like my hon. friend, I do not think one individual has a right to make any pledges to anyone about the transference of an order and whether it will be reached. Every hon. member who has a motion on the order paper would have a right to say whether his should have the preference over this one. It is not discussable where it is. All I can say is that the Canadian National board has suggested to me that it would be very injurious to the management of the Canadian National Railways if this information were given out, because that would mean that all information could be given that is requested concerning salaries and everything else in regard to the Canadian National Railways.

Mr. MEIGHEN: If the minister will say that he supports the company in that view, I will not raise any further protest.

Mr. GRAHAM: From my experience, I would support the company in that view, as this is absolutely a matter of operation.

Mr. MEIGHEN: Hon. gentlemen are coming round to our doctrine.

Mr. LAPOINTE: Under rule 38 this motion must be transferred automatically. Let me read the rule:

> Notices of motion for the production of papers which the member asking for the same intends to move without discussion, shall be marked by him with an asterisk and shall be placed by the Clerk on the order paper above "Notices of Motions," under the heading "Notices of Motions for the Production of Papers." All such notices when called shall be forthwith disposed of; but if on any such motion a debate be desired, it will be transferred by the Clerk to the order of Notices of Motions.

Mr. DEPUTY SPEAKER: Transferred to "Notices of Motions".

Mr. MEIGHEN: So far as I am concerned, it may as well be taken as defeated. I have accepted the minister's statement, which I think is absolutely right; and I am pleased to see that the government has become slowly converted to the viewpoint I expressed three years ago.

Mr. WOODSWORTH: I should like to join with the leader of the opposition (Mr. Meighen) in protest against the minister's stand in this regard.

An hon. MEMBER: But the leader of the opposition agrees.

Mr. WOODSWORTH: I mean, not as a point of order but as to the stand taken as regards such information being in the interests of the public. The other day, in response to a question of my own with regard to the salary paid to an official of the Canadian National Railways, the statement was made that it was not in the interests of the general public to give the information. In this particular case to which I have referred, the official was employed by the Colonization department, and—

Mr. DEPUTY SPEAKER: I must point out to the hon. member that this is not a debatable matter.

Motion transferred to "Notices of Motions".

LEASE OF RESERVE TO V. GRENON

Mr. ROSS (Kingston) (For Mr. Arthurs):

For a copy of all correspondence, documents, and other communications regarding the leasing of certain property in the lower French Indian reserve to one V. Grenon, and also relating to any complaints or requests for cancellation of the said lease.

CANADIAN GOVERNMENT MERCHANT MARINE

Mr. BLACK (Halifax):

For a copy of all correspondence, cables, telegrams, and other negotiations which may have taken place during the years, 1923 and 1924 and 1925, between the Minister of Railways and Canals and/or his department, and/or any other member of the government and any individual, firms or companies wherever situated, relating to the purchase or sale of the Canadian Government Merchant Marine steamers, as a whole, or for any part thereof.

QUEBEC HARBOUR COMMISSIONERS

Hon. Mr. STEVENS:

For a copy of all correspondence passing between Quebec Harbour Commissioners and any minister, or department, or official of any department of the government during the year 1924, in reference to advances by the Dominion government from votes by parliament; also, a copy of the report of the Board of Audit in regard to the affairs of the Quebec Harbour Commissioners made during the year 1924; also, a copy of a report of any individual member of the Board of Audit made in addition to the report of the Board.

DARTMOUTH PIER, NOVA SCOTIA

Mr. BLACK (Halifax):

For a copy of all documents, contracts, estimates, pay sheets, vouchers, correspondence and other papers relating: (a) to the acquisition of a site for the Dartmouth pier, Nova Scotia, constructed since 1921, and (b) to construction of said pier and the approaches thereto.

TIBURCE MALLET

Mr. DOUCET:

For a copy of all correspondence exchanged between the Department of Marine and Fisheries and others, regarding services rendered in saving lives, by one Tiburce Mallet, of Ste. Marie, Shippigan Island, New Brunswick.

WATERED STOCK

MOTION BY MR. CAMPBELL FOR RESTRICTIVE LEGISLATION

Mr. M. N. CAMPBELL (Mackenzie) moved:

That, in the opinion of this House, legislation should be enacted which will make difficult, and if possible prevent, the practice of issuing what is known as "watered stock".

He said: A banking expert who has recently written a book on the economics of finance is authority for the statement that seven men control over seventy per cent of the savings of nine million people. Mr. Gustav Meyers, in his book, History of Canadian Wealth, points out that to say that a small group of individuals control so vast an amount of wealth does not mean that they own it. Between ownership and control, he states, there is a difference, although the opposite of that is generally supposed. One of the most fruitful sources of this concentration of wealth has been the policy in the past of capitalizing and collecting dividends on what were originally free gifts from the public domain; and closely allied with this is the common policy on the part of powerful corporations of increasing the actual value of their stock when they are in a position to force the great consuming public to pay dividends on the fictitious as well as the real values of their capitalization. The fact that these pernicious practices were assisted and often deliberately encouraged by legislative action is something that lends little credit to Canadian public life. Prior to the British conquest of Canada, over nine million acres of land in Lower Canada had been granted to privileged individuals by the French crown, usually without any equivalent service to the state. This policy was continued and extended under the British regime. The cumulative rents from these endowments formed the basis of many of the great Canadian and British fortunes of to-day.

According to Parkman, in his Old Regime in Canada, while ecclesiastics, seigneurs and officials lived in elegance and luxury, the lot of the working people was that of poverty, ignorance, squalor and misery. The Hudson's Bay Company, which had received an empire gratuitously from the British crown, began the process of stock-watering very early in its history. According to the report of a parliamentary committee in 1794, the total stock of the company on December 23, 1720, was £103,950, although not more than £10,150 had been paid in cash. In 1829 this was further inflated to £400,000. Even on this enormous over-capitalization large dividends were regularly paid. From the time of its charter in 1690, up to 1800, a period of 110 years, the profits of the company amounted to between sixty and seventy per cent annually on its actual paid-up capital. By 1857 it was estimated that the company had taken £20,000,000 in net profits out of Canada. When it is considered that immense quantities of the company's stores and other property had been destroyed in wars, and when it is further taken into consideration that money had a very much greater purchasing power in those days, one can appreciate the enormous wealth that the Hudson's Bay Company took out of what is now the Dominion of Canada in profits. Since that time, due to the sale of land and other valuable holdings, the profits of this company have been so great as to be beyond computation in dividends upon paid-up capital. In 1839 Lord Durham reported that the whole of the public lands in Upper Canada had been alienated by the crown, that less than one-fifth of those of Lower Canada remained, only one-eighth of those of Nova Scotia, less than one-third of those of New Brunswick, and that the whole of Prince Edward Island had been given away in one day, principally to absentees living in Great Britain. Thousands of immigrants were brought out to Canada to provide rent-rolls for these human vampires, and the plundering, extortion and exploitation of these poor unfortunates can hardly be surpassed by the history of negro slavery in any part of the world during that contemporary period. The terribly inhuman conditions under which settlers were brought to Canada may be partly understood by the fact that according to the report of the commissioners of immigration for 1847 no less than 17,445 British subjects died on the passage to Canada during that year. In addition to this, many thousands of these poor immigrants died on their arrival here. This frightful state of affairs moved men like Judge Thorpe, William Lyon Mackenzie and Louis Joseph Papineau to risk fortune, reputation and even life itself in the interests of their suffering countrymen.

The history of our Canadian railways is replete with instances of graft, inefficiency, stock-jobbing and stock-watering. Sir Donald Smith, a man who had grown rich in the service of the Hudson's Bay Company, chiefly through the plundering of the northern Indian tribes, was one of the principal promoters of

the Canadian Pacific Railway. At the very outset these promoters are said to have made a collective profit of over $9,000,000 from the manipulation of the stock, which they sold to themselves at 25 cents on the dollar. In 1917 Judge Phippen estimated the value of the gratuities received by the Canadian Pacific Railway up to that time in cash subsidies, land grants, exemption from taxation and other privileges as $450,000,000—considerably over half the total assets of the company. No doubt if the exact figures were available of the company's finances from the date of its charter to the present time it would be found that the accumulated earnings on these free gifts from the Canadian people would be more than the present total assets of the company. It is apparent that the people of Canada really constructed the Canadian Pacific railway, and are now compelled to pay heavy dividends to private interests on the value of their own gratuities to the promoters. Between 1910 and 1920 the Canadian Pacific Railway Company paid out in dividends over $219,000,000, and during the same period took over $100,000,000 from their earnings and invested it in subsidiary companies. According to Mr. Beatty, the president, the company had in 1922 a surplus of $238,000,000, representing earnings reinvested and not paid out in dividends. It may be truthfully said that the Canadian Pacific Railway with all its subsidiary companies was publicly built but is privately owned.

I should like to quote a few figures from the January, 1914, issue of the Monetary Times of Toronto, dealing with their recent mergers and amalgamations of various companies. The list is too long to quote in full. The first and perhaps most important is the Canada Cement Company. That company was formed in 1909, being a merger of eleven different companies in eastern and western Canada. The collective capitalization of these eleven companies was $17,750,000; but when the Canada Cement Company was formed this was watered to reach a total of $38,000,000, and over $30,000,000 was actually issued in stock. The stock was watered in reality to the extent of about $13,500,000. Now, to prove that this company was in a position to compel its customers—the people of Canada—to pay dividends on the watered stock as well as on the actual value of the stock, the merger immediately raised the price of cement about 47 cents per barrel. I have figures here showing some transactions which were entered into by the city of Winnipeg with the Canada Cement Company, but I do not want to weary the House by quoting them; they prove that immediately after the merger the price of cement was raised 47 cents per barrel. The gentlemen primarily responsible for organizing this trust was Mr. Max Aitken. To show how the government of that day appreciated the commendable work he was doing in organizing this merger, they recommended him for a baronetcy, and he was created Sir Max Aitken. As Lord Beaverbrook this man is now living in Great Britain in opulence and luxury on his ill-gotten gains—the money he plundered from the people of Canada.

Another merger is the Amalgamated Asbestos Corporation, Limited. This was a merger of five different companies with a collective capital originally of $3,550,000, which was raised to $18,000,000; in other words, watered to the extent of $14,450,000. The Ames-Holden-McCready Company Limited was a merger of two different companies with a collective capitalization of $3,500,000. This was watered to the extent of $8,000,000, the capitalization of the new concern being $11,500,000, of which $7,000,000 stock was actually issued. The next company is not unknown to hon. members of this House, particularly those from western Canada.

Canada Steamship Lines, Limited: This was a merger of twelve navigation companies with a collective capital of $16,200,000, which was raised to $33,000,000, the amount of $16,800,000 being watered. Some further reference to this company will be interesting. I find in the report of the royal commission on Lake Grain Rates which was issued in 1923, that the figures presented to this commission by the merger showed a profit of only 9.3 per cent on the appraised value of their boats; but the commission, after going carefully into the figures and having two qualified appraisers value those boats, arrived at an entirely different conclusion. I am not going to weary the House with lengthy quotations, but the commission proved conclusively that the value of the stock was very much lower than the figures given, so that naturally the dividend earned would be very much greater.

Now, these companies have another very convenient way of hiding dividends, and that is by the formation of subsidiary companies. We find that Canada Steamship Lines Limited had a subsidiary line known as the Standard Shipping Company. This company was composed of Roy Wolvin and James Norcross, both of the Canada Steamship Company. This subsidiary company had offices at Winnipeg and it had the monopoly of the space in the ships of the parent company, and largely controlled the insurance writing on the cargoes shipped in those vessels. We find the capitalization of this Standard Shipping

Company was only $5,000, but in two seasons Norcross and Wolvin drew about $275,000, which rightfully belonged to the Canada Steamship Lines. This was a convenient way of hiding the merger's dividends. This $275,000 was all taken out of the pockets of the farmers of the northwest. In the same report I find that the Great Lakes Transportation Company claimed their profits for the same year to be only 11 per cent on the appraised value of their holdings, but the investigation of the commission showed these holdings to be tremendously overvalued. Take one instance, the steamship Glenclova, which was valued in the exhibit handed to the commission at $525,000. From the record and the testimony of the appraisers who were employed by the commission it was proved that this vessel was worth only $125,860. If the valuation of the other vessels was inflated to that extent it would mean that the company in that year would make a dividend of about 46 per cent instead of 11 per cent. As a further indication of how misleading their figures were, I will refer to a letter which was issued by the president of the company, Mr. Playfair, on July 5, 1922. This letter was sent out in support of an issue of bonds. In part, it reads as follows:

> The net earnings after deducting depreciation for the year ending December 31, 1921, exceeded five times the amount required for interest on this issue.

With regard to that the commission made the following observation:

> Five times the amount required for interest on the issue would be $350,000; but in Exhibit 329, which was put in as part of the evidence of the company, it is stated that the net earnings of 1921 were only $133,794. No satisfactory explanation of this astonishing difference is tendered.

Now we will deal with the Mathews Steamship Company. This company claimed their profits to be only 10.24 per cent on the appraised value of the vessels. They showed the value of one vessel, the Mathewston, as $900,000; but in a letter which was given to the public in support of an issue of bonds they mentioned that this vessel had been completed during the previous year at a cost of $800,000, so that after the vessel was in use for a full year, when there should be a considerable amount of depreciation, we find it written up to the extent of $100,000. In this letter which the Mathews Steamship Company sent out, dated August 20, 1922, I find the following:

> The average annual net earnings derived from operation, after depreciation and taxes for the five years ending January 31st, 1922, amounted to almost five times the total interest charges on the bonds now outstanding including the present issue. Preliminary figures for the first half of the year 1922, indicate

> that the earnings for this year may be considerably in excess of the above proportion.

On this part of the letter the commission make the following observation:

> The bond issue was $700,000; the interest on that would be $49,000. Five times that would be $245,000; but in Exhibit 277 the company claims that its operations for the year 1922 up to the first of September resulted in a loss of $29,709.61.

Now, I have dealt briefly with causes; let me refer for a moment to the effects of the concentration of wealth. According to the Canada Year Book for 1922-23, .14 per cent of those who paid income tax had 25.77 per cent of the total income; .42 per cent of the taxpayers,—that is, less than one-half of one per cent—had 37.73 per cent of the income, while 7.7 per cent of the taxpayers had 74.80 per cent of the income. I want to point out that this is only the percentage of the amount of income of those whose incomes were taxable. After all, it is only a small proportion of the population who have incomes that are taxable under the Income Tax Act; so that when we figure it out on the proportion of the income, of the whole population we find that a very much greater percentage of wealth is in the hands of a few than these figures would indicate. In reference to the income tax figures of the United States, I find that in 1918, 14 per cent of the income taxpayers had 40 per cent of the total income. In this connection I would also like to quote a former chancellor of the exchequer of Great Britain, Mr. Snowden, who, speaking in the British House of Commons on March 20, 1923, said:

> Eighty-eight per cent of the wealth of this country is owned by two and a half per cent of the population and five out of every six persons who die leave not a penny behind them.

At the risk of being accused of failing to put forward some constructive remedy or suggesting some constructive measures in connection with this matter, I am going to leave it in this way: I have certain concrete ideas in my own mind of how this situation could be dealt with, but I realize that if these do not meet with the approval of the government or of some hon. gentlemen they will be used as a reason for opposing the spirit of the resolution itself. It is my opinion that when a private member puts certain facts and figures before the House to show the necessity for legislative or administrative action, his responsibility ceases. The responsibility for legislative and administrative action is on the government. The government has the advice of the very best legal counsel, which is something that the ordinary private member cannot secure; it has at its disposal a means of securing facts and figures which are not

available to a private member. Therefore I say that the responsibility for dealing with the matter is entirely with the government. We have undertaken to control in some measure, to exercise supervision over our transportation companies, our banks, our insurance companies, and a great many other corporations, and I see no reason why we should not carry that principle a little further. While I would be the last to suggest that we carry supervision to the point where it will interfere with the efficient management or with the proper carrying on of business, yet I think the public are entitled to know just what dividends certain companies are earning, particularly when some of them secure very special privileges by legislation from the people of this country.

Hon. A. B. COPP (Secretary of State): Mr. Speaker, the question that the hon. member for Mackenzie (Mr. Campbell) has brought before the House this afternoon is a technical one, a complicated and an interesting one. He has cited a number of cases where companies have made large earnings because of what he calls the watering of stock, and the paying of dividends on stock which was of no value. The resolution seems very innocent as it stands on the order paper, but it has one or two features which present difficulties. Before we could accept the resolution that my hon. friend has so ably put forward, we would first have to have some definition of "watered stock". Watered stock may be of different varieties. It might be stock such as my hon. friend has described, for which the holder gives no particular value. Stock may also be described as watered that is issued for the purchase of goodwill, or anything of that kind. A company taking over the assets of another company may pay in stock for such things as that. Such an asset may have no tangible value, but nevertheless it is of some value.

For many years, the several provinces of the Dominion have grappled with this question. I was unable to hear my hon. friend very distinctly, but I think he did refer to the different provinces that had grappled with this question to some extent. Some of the provinces have issued what are called blue sky laws to protect the public from the sale of stock by companies, and I think the Supreme Court of Canada has recently brought down a judgment declaring that the legislation passed in the province of Saskatchewan in that respect was ultra vires of the provincial legislature. I might also say to my hon. friend that the officials of the department under whose control and administration the Companies Act comes have given a very great deal of study to this question for many years, and I have several reports before me in regard to it; I have one very lengthy one before me now. The question my hon. friend has raised is not without its difficulties. A company is organized, and an application is made for its incorporation, either to the provincial legislature or to the Dominion. The company sets forth its object, and obtains its charter. All that is pretty well safeguarded, in so far as we are able to do so. The issuing of stock is practically a matter of civil contract between the company and the purchaser of the stock. My hon. friend has referred to cases where companies have made large and unreasonable profits because of stock watering, and that as a result of watering their products were sold at a higher price to the public in order that they could pay dividends on the watered stock. Nevertheless, people are not forced to buy these products.

Mr. CAMPBELL: Would the minister say that people in Canada are not compelled to buy cement from the Canada Cement Company? They absolutely control the market.

Mr. COPP: That may be so; I do not know particularly about the Canada Cement Company, but I say that generally speaking people do not have to buy the products of a firm that is charging a high price in order to enable them to pay dividends on watered stock.

This subject is not a new one; it has been considered every year, and almost every day by those in charge of the incorporation of companies. Under the Dominion charter, as I remember it, we have regulations by which the company that is issuing stock fraudulently or by misrepresentation may be called to account by the department. As regards the issuing of stock in the ordinary way, and charging a higher price for it, I am not in a position to say that some scheme might not be worked out and legislation enacted that would bring about an improvement. I can assure my hon. friend, and I think I can speak not only for the government but for every individual member of parliament, that if anything can be done to better conditions or to pass legislation to bring about an improvement along the line of meeting my hon. friend's complaint, it will be not only a pleasure for me but a duty, and the duty of this parliament, to do it. My hon. friend has brought the matter to the attention of the House and of those particularly interested in this matter, and when they read his remarks in Hansard, they will be able to gather what he has in his mind. The question will then be very thoroughly considered, and I can

assure my hon. friend that anything that can reasonably be done in the direction of protecting the people of Canada generally in the incorporation of companies, and in the matter of buying the products of these firms that are charging high prices, it will be the duty of this government and of parliament to do.

Mr. GARLAND (Bow River): Does the minister approve of the issuing of watered stock? Does he consider it a right thing to do?

Mr. COPP: It all depends on what the watered stock is, and on your definition of watered stock.

Mr. GARLAND (Bow River): Would the minister mind defining watered stock as he understands it?

Mr. COPP: I would not attempt to define it at the present moment, but as I have said, I will be very glad to bring this matter to the attention of the Companies branch and see if they can suggest anything that would be of advantage in the operation of the Companies Act, or in the issuing of charters, to better protect the people as a whole; and if anything can be done in that direction it will be a very great pleasure to me to do it.

Mr. LADNER: Could the minister not make greater restrictions in connection with the issuing of prospectuses? The law already provides that the allotment of shares for other than cash consideration shall be stated in the prospectus, but I would judge from the speech of the hon. member for Mackenzie (Mr. Campbell) that it is possible for the applicant, even with that safeguard, to be fooled. Perhaps the minister might find scope for legislation in that direction.

Mr. COPP: The department is always checking up and watching anything that comes to its attention through parliament, with a view to bettering the administration of any acts that come under its administration. As my hon. friend says, some regulation might be made in regard to the issuing of prospectuses; but I may say that we cannot always guard against the exploitation of stock. If a man wants to sell stock at a high price, and somebody wants to pay an extravagant price for it, the department cannot prevent that; but I can assure my hon. friend that I will have his remarks brought to the attention of the officials of the department, and if there is anything we can do that will be of advantage we shall be very glad to do it, and also to have my hon. friend come to the department and talk the matter over with the officials to see if something might not be worked out.

4 p.m.

Mr. BAXTER: Can the minister state conveniently at the present time just how that case came before the Supreme court, and what the decision was. I know there was something, but I have not got it accurately in my mind.

Mr. COPP: The recent decision of the Supreme Court of Canada was given in the case of Lukey vs the Ruthenian Farmers Elevator Company, Limited, 1924, C.L.R. 56. The Supreme Court of Canada decided that the Sale of Shares Act, Revised Statutes of Saskatchewan 1920, Chapter 199, was ultra vires of the provincial legislature in so far as it purported to apply to the sale of its own shares by a Dominion company. I do not know all the details.

Mr. BAXTER: The minister has answered me enough. It is apparently a decision that the provincial act was ultra vires, and I know that has been applied; but has there been any decision that the Dominion cannot enact legislation of the character that is asked?

Mr. COPP: I do not know of any.

Mr. MEIGHEN: The minister says there are several kinds of watered stock. I only know of one. Would the minister give us two or three examples?

Mr. COPP: A general definition of watered stock might be stock issued for which no value was given.

Mr. MEIGHEN: Hear, hear.

Mr. COPP: Another case, to my mind, would be stock issued for the sale of the goodwill of a business.

Mr. MEIGHEN: If the goodwill was worth the stock issued at its par value, it would not be watered stock.

Mr. COPP: It might be a question—

Mr. MEIGHEN: It would be a question of whether there was watered stock; but the minister said there were several kinds of watered stock.

Mr. COPP: I would say that the term "watered stock" might be referred to different kinds of stock.

Mr. MEIGHEN: I suppose there might be watered stock in different companies; but if there is any kind of watered stock except stock not represented by value, I would like to know what it is.

Mr. COPP: I might say in reply to my hon. friend from Mackenzie, that although the resolution on the order paper may possibly not mean very much, he has brought this matter to the attention of the government and of parliament, and in so far as the Companies branch is concerned, I will see that it is given consideration, and if any remedy can be provided we shall be very glad to do it.

Mr. IRVINE: The minister has stated that his department will be very glad to check up on this matter of watered stock; he has also stated that his department does not know what watered stock is. Will he therefore indicate how he is going to be able to check up on it in the coming year?

Mr. MACLEAN (York): Get a "mouser."

Mr. LADNER: I would like to ask the minister a question with respect to the registration of agreements. Under the British Columbia laws all shares which are issued must be issued for cash. If the consideration is other than cash an agreement embodying such an arrangement must be filed with the registrar of joint stock companies, and that is open for the public to inspect, and the company cannot get behind that; so that any shareholder can get the information as to the stock that is issued, and the expense at which it was issued, and they may look at it before they buy.

Mr. BAXTER: Do they?

Mr. LADNER: Very often. If they are sensible people they will do it. Would it not be possible to provide in the Dominion act that, in addition to stating in the prospectus the shares which are allotted for other than cash, there should also be filed—which I understand is not now provided for—the agreement or document under which the shares are issued for a consideration other than cash? Would the minister take a proposal of that kind under consideration? Because in that way the citizens of Canada can investigate what has been done by any Dominion company and can find out whether he is getting watered stock, and how much he is getting.

Mr. STEWART (Argenteuil): That would only protect the purchaser of the stock, and I do not think that is what my hon. friend (Mr. Campbell) is after. The point is the protection of the public.

Mr. LADNER: That is one important feature.

Mr. COPP: I will be very glad to refer the matter to the officials of the department for consideration. If what the hon. member suggests is considered an improvement it may be accepted.

Mr. MACLEAN (York): Has the minister compared the situation in Canada with the conditions that exist in other countries where this grievance obtains? Perhaps he will find that in some other countries they have dealt with the question and have afforded a protection to the public against what seems to be a bad principle.

Mr. SPENCER: I should like to refer to the statement the minister made a few minutes ago, that his department had been considering this subject of watered stock annually, and he might say, even daily. That being so, have they any policy to suggest by which they can handle this subject?

Mr. COPP: The hon. member misunderstood me. I did not intend to convey the impression that we had considered the question of watered stock every day; but the question of the improvement of the Companies Act or any other act has been considered by the officials from time to time. We passed a number of amendments last year, and if it is necessary to pass further amendments, we will be very glad to take suggestions from my hon. friend.

Mr. STEWART (Argenteuil): I think the proper course for the hon. member to pursue is to bring to the attention of the department the amendments he has in mind to propose to the act. I quite agree with the right hon. leader of the opposition (Mr. Meighen) that there is only one kind of stock that can be called watered stock. I do not know how it came to have that name. It is, however, a very difficult proposition.

Mr. FORKE: Perhaps it is putting water in the wine.

Mr. STEWART (Argenteuil): Yes. If the hon. member who has introduced this resolution has any amendment to propose which would prevent injury being done, I am sure the department will be very glad to give it consideration, and if they are unable to acquiesce in his suggestions, reasons should be given.

Mr. MEIGHEN: If the government feels disposed to prevent the issue of watered stock —and I do not think anybody doubts that it can be done—will the minister say whether the government, or even himself, feels that it can be accomplished?

Mr. STEWART (Argenteuil): I would be delighted if it could be done, but the right

hon. member will agree that the definition of watered stock is a very wide one, and care would have to be exercised in order that no injury would be done.

Mr. MEIGHEN: Would the minister commit himself—

Mr. STEWART (Argenteuil): Absolutely.

Mr. MEIGHEN: —to saying there should be no watered stock issued?

Mr. STEWART (Argenteuil): If my hon. friend's definition of watered stock and my definition are the same—and I believe they are, namely stock for which no value is given to the public,—then I will agree with him.

Mr. MEIGHEN: Or inadequate value?

Mr. STEWART (Argenteuil): I would be quite willing to enact such legislation, but I want to qualify my statement—because we have had some experience with this question out west, the blue sky law, for example—and say that it is sometimes difficult to pass legislation of that character without doing injury to legitimate enterprise, and due care must be exercised.

Mr. FORKE: It seems a rather strange situation that the minister admits there is such a thing as watered stock, and then tells a private member: Bring in your amendment and we will see what we can do about it. I do not think that meets the situation in a fair manner.

Mr. MEIGHEN: They could refer it to a committee.

Mr. FORKE: Something like that. I think it is pretty well known that there is lots of watered stock in companies in Canada to-day. We may have some difficulty in defining what watered stock is, but it has been suggested to me that the minister has been in rather deep water in regard to this question of watered stock. I think the government should take this matter into serious consideration. Something should be done to prevent the floating of companies on watered stock or watering the stock after companies have been formed, and giving the people a wrong idea about capital invested in different corporations and companies. I think the government should do something more than ask a private member to suggest to them what should be done.

Mr. STEWART (Argenteuil): That is exactly what I said and what I meant. The government is prepared and willing to bring down any amendment that will remedy the difficulty, and will be very glad of suggestions from the hon. member. I think when suggestions are analysed, if I caught his argument aright, he will find very many of the complaints he is making are impossible of being dealt with. But I would not say it is impossible to amend the act; I think it is quite possible.

[Mr. C. A. Stewart.]

Mr. J. S. WOODSWORTH (Centre Winnipeg): We have surely a rather anomalous situation. The members of the government readily admit that we have in Canada such a thing as watered stock, although we may differ a little in our definition of it. They also admit that the watering of stock, that is, the issuance of stock for which no value is given to the public, is an evil, and yet the government, notwithstanding the fact that this matter has been repeatedly brought to their attention, appear to be incapable of devising any means of doing away with this evil. Those of us who are neither legal gentlemen nor financiers sometimes wonder why it is, when it comes to the matter of the great vested interests that the government find themselves in the position of being impotent to take any action which will safeguard the interests of the public. If it is the case of some milkman diluting his milk with water, action can be taken very speedily to stop the practice, without any question as to whether or not the water is pure or impure, alkali water or spring water. We urge that the essence of our representations is that the public is being defrauded. The common people and this government are agreed that the public has been defrauded by the process known as the watering of stock. And yet apparently year after year when the subject has been introduced the matter has been put off, as the government would seek to put it off to-day. Many cases of special privilege come before this House. Whenever we introduce any other than one or two well recognized types, we are said to be dealing with an academic question. I submit that the public is very much concerned about a matter of this kind. I quote here a paragraph which I noticed in a recent editorial of the Quebec Daily Telegraph in which we have noted the close connection between watered stock and the tariff. The editorial reads:

> We trust that all those who are crying blue ruin for Canada, on account of tariff reductions or lack of action to raise them, will not fail to let the public know whether or not Canada is going to continue to protect hundreds of millions of dollars of watered stock which periodically floods a number of our industrial concerns, when their profits become so large that they are afraid of public criticism.
>
> On the other hand, if the Ottawa government is being asked to protect merged industries that contain millions of dollars worth of watered stock for the benefit of a few promoters this information should also accompany the blue ruin speeches on the tariff question.

We also think that the federal government should at once institute an investigation into the watered stock capitalization of many merged industries, which are crying for further protection.

I would commend that paragraph to the serious consideration of the Secretary of State (Mr. Copp).

We have before us at the present time the far-reaching results of the failure of the Home Bank. I take it that one of the resons for this failure was that the bank advanced money to concerns which were not sound, which were putting before the country propositions which involved watered stock. Now the country is being asked to reimburse the Home Bank depositors and yet we are doing nothing to preclude frauds of this kind being perpetuated in the future.

We are to-day facing the very serious consideration of some action in connection with the industrial dispute in the Nova Scotia coal fields. It has been repeatedly called to the attention of this government that the British Empire Steel Corporation has been trying to insist upon dividends on what we generally know as watered stock. I had an opportunity a year ago of calling the attention of the government to the way in which the capitalization of that corporation had been built upon. I will not repeat here what I said at that time, but it is known that the company, in seeking incorporation, had to admit that it would not require a very great deal to finance the company that it was proposed to create. A little later on, the promoters were able to inflate the capital to a very great extent. I have a memorandum with regard to the organization of that company:

The Dominion Iron and Steel Company Limited was incorporated in 1899, H. M. Whitney of Boston being the chief promoter. He had previously organized the Dominion Coal Company. Whitney wrote to Premier Murray asking for concessions in the royalty on coal used in the new steel plant. In that letter he said:

"The estimate of an iron plant in Cape Breton on a large scale would require the investment of a large sum of money, not less than $3,000,000 to $6,000,000."

This letter is published in the Industrial Advocate of Halifax for April, 1899.

The Engineering and Mining Journal of New York—issue of October 28—records the listing of the Dominion Iron and Steel Company on the Boston stock exchange. The company is stated to have $15,000,000 stock and $8,000,000 in bonds (of which latter $2,000,000 were still in the company's treasury).

I do not know whether the government can justify anything of that kind. I do not know whether the country is compelled forever to pay dividends on stock of that character, but I know we must face the result of this situation in the low wages and dissatisfaction which prevail at the present time in Nova Scotia.

Let me mention still another instance which recently came before the attention of the public. The L. R. Steel Company were able, through their manipulation, to victimize a large number of poor people throughout this country. This was done very largely through the practice to which reference has already been made, that of maintaining subsidiary holding companies. I think now of families in my constituency who could ill afford any loss of this character, who were approached by plausible agents of the L. R. Steel Company and were told that this was in the nature of a co-operative company. They believed in the principle of co-operation, and they were deceived as to the real standing of the company. An altogether different proposition was put up to them from that which would have been warranted by the facts of the case. We all know the results. I would like to refer to still another organization which has recently been before the public, especially in my city.

Mr. McMURRAY: At the time that stock to which my hon. friend refers was sold in Manitoba, was there not on the Manitoba statute books legislation whereby a thorough investigation would be made by an official of the government and a writ granted to sell that stock? If that was the case, could my hon. friend imagine anything more strongly designed to protect the public?

Mr. WOODSWORTH: My point is that the public was not protected.

Mr. McMURRAY: If that will not protect the public, how does my hon. friend suggest that this government protect it in any other way?

Mr. WOODSWORTH: I would suggest that it is rather a large order for a member of the government to ask that a private member protect the public.

Mr. McMURRAY: Still, my hon. friend has had this under his consideration for a long time, and the proposition I put to him is a simple one. Can he not see the difficulties in the way?

Mr. MEIGHEN: Does the minister say that at the time the L. R. Steel Company was incorporated, there was a Public Utilities commissioner operating under the act?

Mr. McMURRAY: I think so. I am not absolutely sure, but I know that official has been appointed and has been carrying on his work there for quite a number of years.

Mr. MEIGHEN: Who was he?

Mr. McMURRAY: Mr. P. A. Macdonald.

Mr. MEIGHEN: He was retired long ago.

Mr. McMURRAY: It was always debated whether he was retired or not, but I think it is one or two years since he retired. If my memory serves me right, he would have been holding office at the time the L. R. Steel Company's stock was sold in Manitoba.

Mr. COPP: My hon. friend (Mr. Woodsworth) is referring to the British Empire Steel Corporation. That is a provincial incorporation under an act of the province of Nova Scotia, not under a Dominion charter at all.

Mr. WOODSWORTH: I am not discussing whether any one organization is under a Dominion charter or not; I am discussing the general principle and saying that the public ought to be protected. If, through any flaw in the legislation of either Manitoba or Nova Scotia, the public has not been protected, that is all the more reason why this House should act in the matter.

Mr. COPP: Does my hon. friend suggest that this parliament should pass legislation to interfere with the incorporation of companies in the separate provinces?

Mr. WOODSWORTH: I have not made such a suggestion. I would be glad to make a suggestion later on. The Secretary of State (Mr. Copp) has tried to put off my argument on the ground that the British Empire Steel Corporation comes within provincial jurisdiction.

Mr. COPP: My hon. friend misunderstands me. I am not trying to put off any argument at all. I am asking only for information. I want to consider it.

Mr. WOODSWORTH: I am quite aware that the British Empire Steel Corporation was refused a charter by this government and subsequently obtained it.

Mr. MEIGHEN: My hon. friend is mistaken. It was refused by the late government.

Mr. WOODSWORTH: I am sure we can depend on the leader of the opposition (Mr. Meighen) to set us right in regard to matters of that kind. I would refer to another company and ask the Secretary of State to take particular notice of this. It is a company whose conduct has recently been forced upon our attention in the west, the Hearst Music Publishing Company. I am informed that this company had a Manitoba charter but it had been refused a license under the Sales of Shares Act. Then under pressure a license was granted. After a further examination, however, the license was withdrawn. The company then obtained a Dominion charter, thus being able to snap its fingers at the provincial government and at the public generally. Under these circumstances we have a perfect right to come to the Dominion government and ask that the interests of the public be protected.

I should like to read a paragraph or so from a statement which has been furnished me by a friend of mine who has been devoting some little attention to this matter. He suggests:

> Watered stock is always a potential charge upon the workers, but where competition really exists its influence or effect upon labour conditions is inconsequential. When, however, a company operates under the direction of a combine—

Such as that referred to a little while ago, the Canada Cement concern.

> —or enjoys some special privilege, permitting it to charge unwarranted prices for its commodities or services, then watered stock may readily become a serious evil. Canada happens to be a country where the financial system lends itself readily to the nation-wide control of enterprises, either by means of combines, fixing market spheres or fixing prices. That fact gives to watered stock in Canada an importance which it does not always hold in other countries where the financial systems are less favourable to the establishment of centralized control of whole industries.

The writer then gives one method by which the public has often been victimized.

> Another game which has been too often practised may be described. Two or three men owning similar enterprises may be bitten with the passion for easy money. They organize a company to amalgamate their enterprises. The new company makes a loud noise about the economies effected by the consolidation, and reports huge profits. Then the two or three men, having issued to themselves bonds representing something more than the value of the combined enterprises, send out salesmen to dispose of common stock in their company representing something more or less than its bond issue. Usually the stock is sold at par, if the declared profits said to have resulted from the amalgamation are high enough. The stock is bought by small investors who know nothing about the actual workings of the company, and seldom ask for information.
>
> In a year or so the men who formed the company, having utilized the money derived from the sale of common stock in ways which may indirectly benefit them while adding nothing to the resources or capacities of the company, discover that that company is beset with difficulties. The common stock holders are informed that it can only be saved by additional stock subscriptions, and being frightened usually do not respond. Presently the company declares itself bankrupt, and the original owners who hold the bonds take over the properties and the investors in common stock are left with finely engraved but perfectly valueless certificates. This game in various forms has been played by highly respectable financiers and lawyers, and fairly competent lawyers have been victims of it.

I want to present to the House a few more paragraphs taken from a memorandum furnished by another friend of mine—a business man. It may seem rather strange that business men sometimes are willing to assist or to speak through Labour members in this House. This I sometimes think may perhaps be attributed to the fact that, as one of the old Socialist leaders once suggested, the workers having nothing to lose but their chains, are able to speak freely in these financial matters. Certainly, they are free to say what I know a great many business men across the country would gladly say. The excerpt to which I refer is as follows:

Perhaps it is not too much to say that the greatest controllable evil in connection with the "high cost of living" is the tendency which Canadian financiers have shown in the last few years, and in increasing numbers, to follow the high finance methods of American promoters. These methods vary so greatly that it is impossible to give more than an outline of them without writing a series of books, but the following are fair examples:—

A family is operating a manufacturing plant in a small town; they give individual attention to the business; they know all their workmen personally and they work in harmony with them, paying fair wages and making moderate but steady profits; the business grows, the line of goods becomes known and the trade mark established. The business begins to outgrow the old methods; new workmen are brought in for special new machines; the owners die; their sons are not content to run the business in the old way. The promoter appears on the scene, he has nothing but a good suit of clothes, a fine line of talk and a knowledge of American promoting methods. The promoter sizes up the business; perhaps the value at a conservative estimate is half a million dollars including buildings, real estate, machinery and stock on hand; but the hard work of the founders, their knowledge of the business, their lack of extra overhead put on by so-called efficiency experts, and the small salaries that they are content to draw from their own business, and other factors, make the business pay on an average through a period of exceptionally good years, say one hundred thousand dollars a year. Does the promoter buy the business for five hundred thousand dollars (its actual value without the men that built it and the surroundings under which it was built)? He does not. He searches for and finds a business that will go well in a prospectus with this business. He options this second business which is, for some reason we need not specify, not paying, at say one hundred thousand dollars payable partly in cash and partly in the stock of a new company. He options the first business, producing as you remember one hundred thousand dollars a year when trade is good. He gives the owners five hundred thousand dollars of preferred stock and five hundred thousand dollars of common stock; he puts them and himself on the board of directors and arranges salaries for them at least double the rate they have been drawing. He sells bonds to the public for five hundred thousand dollars. He can show earnings which provide three times the interest on the bonds. The second business takes perhaps fifty thousand dollars of the cash, the promotion takes another hundred thousand dollars to swing and the promoter, if he is fairly modest takes only another hundred thousand dollars in cash and five hundred thousand dollars of common stock. Part of his common stock he gives away with the bonds and some of it he gives to the owners of the small business which has been taken in to show some reason for the water and make believe that it will increase the earning power of the first business or absorb some of its product.

Now let us see where we are. We had one business worth half a million dollars and earning on an average in good years, and when it had the benefit of the founder's experience and his undivided time and attention, one hundred thousand dollars a year. We had another business which was breaking even and which was worth, perhaps, fifty thousand dollars. That is, we had what, stripped of the special circumstances that made them pay, two businesses that were worth $550,000 of anybody's money and that only had to earn $33,000 to give their owners a reasonable return on their investment, or at any rate, would not normally be called on to part with more than $33,000 per annum to satisfy capital. What have we now? Bonds, $500,000; preferred stock, $500,000; common stock, $1,000,000; total $2,000,000. The public is now called upon to pay interest on two million dollars, fourteen hundred and fifty thousand of which is new capital created out of paper and the promoter's ideas. The public is now called upon to pay salaries sufficiently dignified to fit the officers of a two million dollar corporation and at least twice as much as the same individuals drew when the businesses were entirely their own. The public is now called upon to pay for efficiency experts, accountants instead of bookkeepers and all sorts of people who were not needed in the old business, which nine times out of ten, produced as much and as good material as cheaply without their aid.

One of two things happens, either the price of the product is increased and the wages of the lower employees decreased until the interest on the securities is paid, or the concern goes to the wall when the old management is withdrawn and the cost of production increased beyond what the product will bear. If the concern goes to the wall the men in the plant lose their jobs and the small investor who has absorbed the common and preferred stock is wiped out. The bond holders take over the property reorganize the company, rewater the stock and the same thing happens again. If the promoter has had luck the company goes on, pays its dividends and perhaps in time is ripe to be taken into a yet larger promotion and help to put more watered stock on the market. In either case the public is stuck. The promoter is all right; he has his cash and the proceeds of his common stock. The former owner may be all right. He may have sold his stock, and anyway he has the bonds and his property back. But the public is stuck whether the company is a success or a failure.

Every time one of these companies is a success the cost of living is raised to make it a success. Every time one of these companies is a failure the public is stuck. It is always the public who pay.

And this gentleman, who, as I say, is a business man, makes the following suggestion, which I give for what it is worth:

The only thing that can be done is to provide machinery for scrutinizing and licensing new issues of stock and bonds for public sale. The Secretary of State department are quite competent to deal with this matter if they have the necessary legislation back of them. Governments naturally shirk the responsibility for stock issues but they must assume it or we will go from bad to worse. A few years ago—

And I think this calls attention to a tendency which we cannot disregard.

A few years ago preferred stocks were generally regarded as safe investments but the collapse of the Riordon and other companies has weakened the public

confidence in preferred stock and the promoter now generally puts the bonds of his company before the public in the first stages of unloading. Bonds were sold during the war in such varied forms that a great many people are now interested in them who never heard of them before 1916 and to the ordinary small investor anything with coupons on it looks as good as a government bond, consequently the money which once went to mortgages now goes into all sorts of bonds sold by promoters and it is difficult to get the necessary money for building and farm loans. This has forced up rents and increased the cost of living and it is likely that some of these bond issues will fall down and leave the promoter with the need of inventing another form of security to tempt the ever-gullible public. All this cannot be stopped but it can at least be diminished by periodical warnings to the public and by regulation.

Now, the Secretary of State (Mr. Copp) has asked for specific suggestions. I would venture to say that if his own department is not prepared to carry out any such scrutiny as that suggested in this memorandum, probably the purpose in view would be accomplished equally well if the government would introduce an amendment providing that every company with a Dominion charter should come under the Sales of Shares Acts of the various provinces. That may not be going very far, but at least it is something concrete. In a number of our provinces to-day we have agencies, more or less successfully protecting the public with respect to companies that have provincial charters, but it seems that there is no way by which these provincial agencies can do anything to protect the public against a company with a Dominion charter. This suggested measure would require no additional machinery.

Before I take my seat I should like to call the attention of the Secretary of State to what seems to be a very admirable report on blue sky legislation made by Mr. A. H. O'Brien, and issued by order of the Legislative Assembly of Ontario. I note here that:

In 1895, Great Britain appointed a committee of the board of trade to look into the question. That committee made an exhaustive study of the entire problem through a period of years. In 1900 legislation was passed placing moderate restrictions on the issue of fictitious stock. This legislation not accomplishing its purpose, committees of both Houses of Parliament again considered the problem. In 1906 the present legislation was enacted, and it is now incorporated in the Companies Consolidation Act of 1908.

I notice that as far back as 1884 Germany passed laws limiting the sale of fraudulent securities, and France, in 1893, passed similar legislation. I notice also that the Ontario Companies Act is copied largely from the Companies Act of Great Britain, but does not include all of its provisions. Mr. O'Brien states:

When, under the British act, a prospectus is issued it must furnish very full information, not only of earnings and assets of all companies formed, but of all promoting, underwriting, selling and managing profits made from corporate promotions, including allotments of stock and ownership of stock. . . The prospectus, when filed, is open to the public, and requires full disclosure of all profits made directly or indirectly from the formation of corporations and officers must reveal fully all money made as a result of their connection with the corporation.

If that is possible in Great Britain, is it not possible in Canada? As to the effect of blue sky legislation in the state of Kansas, the commissioner states that:

The law has kept out of the state an immense amount of worthless securities. It has put some of the persistent violators in jail and has made refugees in other states of others. The law has not eliminated the sale of worthless stock, but has reduced it to a minimum.

The objection that it is dangerous for the state to intervene is, I think, met by the following statement:

Those persons that make such objections fail to realize that the corporation whose securities are being controlled has been created, and the issue of its securities authorized and sanctioned, by the state.

In 1921 a special commission appointed by the governor of Massachusetts to investigate the sale of corporate securities reported as follows:

Since the state authorizes the issuance of fictitious or watered stock, it must follow that it is the duty of the state to prevent the sale of such securities until the state itself determines that they are not fraudulent. The state creates the securities, and places them in the hands of the fraudulent promoter, who in turn distributes them to the public. Any additional legislation to check the sale of fraudulent securities is nothing more or less than an effort by the state to limit the use by fraudulent promoters of the false tokens which the state itself creates.

Now, it is not my purpose to read in detail any further extracts from this report, although it contains many passages of very great importance.

Mr. McMURRAY: Does the report that the hon. gentleman is reading from deal at all with the issue of watered stock, or merely with its sale after it is issued?

Mr. WOODSWORTH: It deals with the sale of watered stock. But I am suggesting that this House might, as a preliminary step, pass legislation by which any company owning a Dominion charter would be able to sell its stock only under the laws which prevail in the various provinces. That is my point. Personally I should like to go much further than that, and it seems to me that the government must in the long run go much further. As the House knows, we have the insurance companies brought under cast-iron regulations, and whereas a few years ago there was a good deal of fraud connected with the various

weaker companies, and especially with their promotion, to-day we have our superintendent of insurance whose duty it is to safeguard the public interest. Last year we made provision for an inspector of banks. The House will remember that two years ago such a measure was voted down on the ground that it was not possible for the state to interfere with the banks; but after the failure of the Home Bank the government came around to the position that it was essential that the public should be protected; and an inspector was appointed. Now, I suggest that, as we have a superintendent of insurance companies and an inspector of banks, it is not any very great innovation to advocate that it is the duty of the state to protect the public generally in this matter of stock manipulation, which, after all, is a much more complicated question than either of the other two to which I have referred.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, first of all let me extend my deep sympathy to the government. The usual policy of evasion is to be continued on this as on most other matters. When I came down here I was practically given to understand that we should not have come as farmers or as representatives of any other political body than the Liberals, because they were going to give us everything we were advocating. Amongst the things we were advocating was the abolition of watered stock. Another thing was the abolition of protection —a protective tariff. The government's attitude certainly must make its supporters in the province of Quebec weep. I am sure they will mourn to-morrow when they read of the attitude of hon. members opposite with respect to the resolution of the hon. member for Mackenzie (Mr. Campbell). I have in my hand an article printed by a paper about which I do not know very much—probably my hon. friends opposite do—the Quebec Telegraph. Does it represent them or support them at any time? The Quebec Telegraph has this to say:

Liberals are not against a tariff—

I heard the contrary during the elections.

—but they are against a tariff which protects overwatered stocks of companies when they stop paying dividends because they have been cleaned out by the insiders. Such protection only benefits a handful of the controlling interests.

I wonder what the Quebec Telegraph will write about it to-morrow? I wonder what the labourers in the cities of Montreal and in Quebec and Nova Scotia and the west will say? The average annual wage paid in all industries in 1917 was the pitiful sum of $757. There is no doubt in the world that one of the chief causes for that low wage was the necessity of paying dividends on watered stock. In 1918 the average wage was $866, and in 1919 it was $940, war conditions compelling an increase. We find that of all salaries and wages to employees in all industries in 1919, the average per worker or salaried man was $1,010.

Mr. MARTELL: Will the hon. member permit me right there?

Mr. GARLAND (Bow River): With pleasure.

Mr. MARTELL: Will the hon. member point to one industry in Nova Scotia that is paying low wages on account of the paying of dividends on watered stock? Will he tell me the companies that he can prove to have watered stock in that province?

Mr. GARLAND (Bow River): Well, the hon. Minister of Labour (Mr. Murdock) is responsible for the statement that the British Empire Steel Corporation has about $250,000,000 of watered stock.

Mr. MARTELL: That may be so, if my hon. friend will again permit me. But I think that the Minister of Labour at that time was speaking without direct knowledge of the facts. I am not defending the British Empire Steel Corporation; I am simply saying that when hon. members make assertions of that kind against any company they should be in a position to prove them.

Mr. GARLAND (Bow River): I am delighted that the British Empire Steel Corporation has such a strong supporter in my hon. friend. I suggest—

Mr. MARTELL: Do not misunderstand me; I am not supporting the British Empire Steel Corporation. But I say that assertions are often made against that corporation that are made against other companies, without any knowledge in fact. That corporation may be over-capitalized or may have watered stock, but the mere assertion of any individual that that is so does not establish the fact.

Mr. GARLAND (Bow River): The hon. member is unduly sensitive. I did not even mention the British Empire Steel Corporation.

Mr. MARTELL: The hon. member did mention it.

Mr. GARLAND (Bow River): Not until after the hon. member had mentioned it himself.

Mr. MARTELL: If my hon. friend will permit me; I have to take his word, but I asked him to point to an industry in Nova Scotia that had watered stock and he referred to the British Empire Steel Corporation and to the hon. Minister of Labour as his authority. That is the way I understood it.

Mr. GARLAND (Bow River): Quite right. I have never made any claims against the British Empire Steel Corporation, but if I am in order, Mr. Speaker, I would ask my hon. friend to tell the House whether or not there is any watered stock in the British Empire Steel Corporation?

Mr. MARTELL: I do not know, neither does my hon. friend know.

Mr. GARLAND (Bow River): Will the hon. gentleman go a little further? I have answered his question; now I want to put another to him. Will he say there is no such thing in industry in Canada as watered stock?

Mr. MARTELL: I am not speaking on that general subject. But I submit that before a company is said to be paying low wages on account of having watered stock, those who make the assertion should be prepared to prove it by the submission of evidence that would be accepted in a court of law.

Mr. GARLAND (Bow River): My hon. friend will have to take issue with his own colleague and, I presume, political superior, the Minister of Labour. At any rate the fact of the matter is that industry in this country, despite the position taken by the hon. member for Hants (Mr. Martell), is exacting unfair profits as a result of watered stock.

The Secretary of State (Mr. Copp) was very anxious for definitions. I really had not gone to the bother of finding out the actual definition of watered stock; the thing appeared to be perfectly clear to me. The popular idea of watered stock is that suggested by the right hon. leader of the opposition (Mr. Meighen), and there should be very little trouble about that. But if we turn to another authority we find that Professor Irving Fisher, of Yale University, has discussed watered stock after this manner. In the discussion of certain methods under which the book value of capital, surplus and divided profits may exaggerate the true condition of the company, he goes on to point out another way in which that may be done, namely, through the issue of stock below par, or for services, patents, and so forth, at unduly high prices. He goes on to say:

[Mr. E. J. Garland.]

To illustrate this way of overvaluing capital, or "stock-watering," suppose a company to be capitalized at $200,000, and that this company issues at the beginning 1,000 certificates of the par value of $100,000, but sells them for only $60 per share actually paid into the treasury. Here is $60,000 paid-in capital, represented by $100,000 face value of stock certificates, leaving a margin of $40,000 "water." Suppose, further, that another block of $100,000 of the stock is given to an inventor for his patent, the real value of which is only $10,000. Finally, suppose that bonds are issued to the extent of $300,000, and are floated at par. Then the company has received in actual cash only $360,000. Of this sum only $60,000 has been received from the stockholders. The patent, which has also been contributed in return for $100,000 of stock, and which is worth only one-tenth of that sum, makes the total balance due the stockholders $70,000. But, the company is capitalized at $200,000. Consequently it will be necessary for the bookkeeper to exaggerate the assets to the extent of $130,000. He may do this as follows:

Assets		Liabilities	
Plant (cost $360,000)..	$400,000	Bonds.....	$300,000
Patent (worth $10,000).	100,00	Capital....	200,000
	$500,000		$500,000

Here $90,000 of the exaggeration is put under patent and the remainder in an overvaluation of the plant. Many other methods of stock-watering are possible. A common one is to allow the plant to run down.

That is sometimes called mismanagement.

It is sometimes said that stock-watering is not wrong, as long as all the terms and conditions are known. This is much like saying that lying is not wrong, provided everybody knows that it is lying; for a false balance sheet is only one form of a false statement, and, ordinarily, a false statement is made with the intent to deceive. The object may be, for instance, to mislead intending bondholders by making them believe that there is a larger security for their loans than actually exists. We see here one reason why honest men often undervalue their assets—

And so on. That, Mr. Speaker, is the learned opinion of Professor Irving Fisher in his book The Nature of Capital and Income, given at pages 79 and 80. I would suggest that that is one form of watered stock which has perhaps not come to the attention of the Secretary of State; but the undoubted fact is that in Canada, as in other countries, you have the vast body of the public called upon to pay dividends on watered stock for which no value has been given.

If you will turn to the table from which my hon. friend from Mackenzie (Mr. Campbell) has read, I would like now to sum it up. He mentioned several companies including the Amalgamated Asbestos Corporation, Ames-Holden-McCready, Limited, and the Canada Cement Company. I will take the whole list and summarize it. Ninety-four companies came into various amalgamations, and were thereby reduced to 17 combines or mergers. The 94 companies had a total capitalization prior to amalgamation of $63,788,500. Upon that capital, I presume, they were paying

dividends to the stockholders; but after amalgamation we find that these 17 corporations have a total capital of $206,650,000. The increase in the capital value of the above companies, authorized under the Companies Act is $142,861,500, or 324 per cent, and on that the company now expects to pay dividends. This situation unhappily is not confined to this country. Yet I will say that a certain condition in this country tends to make the watering of stock a more common practice than in others. This condition is undoubtedly the special privilege of tariff protection which is extended to companies or corporations of the kind cited in these mergers. For example, where a tariff duty is raised so high that it prevents any reasonable competition in the home market, and gives to a corporation in the country complete or almost complete monopoly, and so control of the home market, undoubtedly that company is in a position not only to pay lower wages to the people it employs, but also to exact higher profits from the people who buy its goods. I would, therefore suggest to the minister, who is anxious for suggestions, and in the hope that his officials will do more than his government, that one of the means by which he could get over the British North America Act in regard to the British Empire Steel Corporation—and he was anxious that my hon. friend from Centre Winnipeg (Mr. Woodsworth) would help him out in that regard—is to cut off all bounties on steel until the water is squeezed out of that stock. That would be one method.

Mr. MACLEAN (York): What about cement?

Mr. GARLAND (Bow River): Exactly. I would suggest that with regard to other corporations or combines that have watered stock on which they may be exacting profits from the people, the protective tariff be removed entirely.

Mr. CAMPBELL: And cut out the special railway rates that some of these companies enjoy.

Mr. GARLAND (Bow River): I have in my hand a further list of suggestions which possibly the Secretary of State has not seen. They were made by Professor Albion Small, a leading American sociologist, and appeared in the January issue of the American Journal of Sociology, published by the University of Chicago Press. Professor Small's views on the problems of profits are practically similar to those expressed by the English economist, Mr. Hobhouse. I will summarize them:

(1) Stockholders should receive not more than a maximum rate of dividend calculated to be enough above the average rate of return upon dividends to encourage investment in needed new industries.

(2) Stockholders should be restrained from evading the prescribed dividend limitation by voting salaries to themselves for services, mostly imaginary.

(3) Premiums in the form of pro rata dividends on salaries and wages should be offered as inducements to increased output.

(4) Net profits in excess of the prescribed dividends and premiums offered on salaries and wages should be divided in some proportion to be determined by experience between employees of all sorts and the state.

(5) The state's share of the profits should not be available for governmental expenses, but should go to some holding concern, perhaps an adaptation of the Federal Reserve Bank, to be loaned to most desirable industrial enterprises—desirable from the standpoint not of private but of public interest.

I cannot altogether give my assent to all the proposals of this learned gentleman, but I refer them to the minister among others that he is going to take into his consideration.

Mr. ROBB: May I ask my hon. friend if he does not think that already Canada takes a considerable share of the profits of these companies by way of income and other taxes?

Mr. GARLAND (Bow River): I find some difficulty in arriving at a complete answer to that extraordinary question. I do
5 p.m. not think the government is taking anything like the income tax it should, either from individuals of from companies. I am in favour of a much more steeply graduated income tax than we have at the present time, and the elimination of indirect taxation altogether.

In conclusion, let me say that I sincerely trust the hon. member who introduced this resolution will see to it that the House gets an opportunity to vote upon it. I am anxious that that should be done in order that hon. gentlemen opposite will have an opportunity of registering themselves fairly on this question. I dislike very much to have them one session declaiming loudly against the evils of watered stock, and in the next session, anxious to avoid a vote upon it. We have, for example, the eloquent member for L'Islet (Mr. Fafard) who in discussing this whole question, at page 1714 of Hansard of last year said:

When the manufacturer bewails the fate of the poorly paid workmen, to justify a request for higher protection, he lacks sincerity; for when certain companies were realizing, during the war, profits of 25, 50 and even 100 per cent, the manufacturers did not raise the salary of the workman; on the contrary they even increased their capital fourfold in "watered stock" so as not to show too large a dividend.

I am quite sure the hon. member for L'Islet will be glad to vote for this resolution. Then we have that very eloquent gentleman the

hon. member for Charlevoix-Montmorency (Mr. Casgrain). He took almost two whole pages of Hansard last year condemning the practice of amalgamation of companies for the purposes of issuing watered stock, and he quoted at some length—Hansard, page 1886—from the Montreal Financial Times dated April 11, 1924 showing how brazenly these corporations blazen forth their vast profits on the pages of the public journals. Then we have the hon. member for Colchester (Mr. Putnam), who was perhaps one of the most outspoken on this matter. He says:

If dividends are doubled by the application of protection, the owners of the industry will resort to the very common device of watered stock in order to conceal from the consumer the extent to which he is exploited.

I notice my hon. friend from Hants (Mr. Martell) has fled. I wonder is it because he is bored with the subject, or because he finds so many on his side are in favour of the abolition of watered stock? Why, I even find the Minister of Justice (Mr. Lapointe) speaking on the same subject. He does not attack the thing very pointedly, but he talks of watered stock mandarins, whatever a "mandarin" is, something very ferocious, a sort of bogey we are supposed to see in the woods, but which he never sees when he has a chance to invade them.

I therefore sincerely trust that the hon. member for Mackenzie will see to it that the hon. Minister of Justice and all his colleagues get an opportunity of voting on this question.

Mr. IRVINE: The hon. member states that he would like the question put to a vote, in order that the government might place itself on record with regard to the question. Does he not think the easiest way out of the difficulty would be for the government to accept the resolution and put it in the waste-paper basket to-morrow?

Mr. GARLAND (Bow River): I have no doubt if they accept the resolution that danger would still be ahead of it, but I am willing to take the Secretary of State's word that he will accept the resolution and bring down the legislation upon it, and I am willing to wait. I am always reasonable.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I was indeed interested in the outlining of this subject by the hon. Secretary of State (Mr. Copp). From the fact that his department has given this subject so very much consideration, I feel sure that the government as a whole will support the resolution as it is presented. Possibly when he was speaking he was thinking of the clause in the Speech from the Throne which referred to the tremendous high cost of living and the necessity of something being done to lower that cost. In my opinion, possibly no better steps could be taken than some drastic measure with regard to the control of the watering of stock. If this were done it would do more to cut down the high cost of living than many other things we could mention. We have to admit that the matter of centralization of industries is a most natural law in the development of civilization, but there is no reason why we should not regulate these industries, particularly with regard to this matter. There is no doubt, as other hon. gentlemen have said, that the matter of watering of stock brings many evils in its trail, and amongst others is the creating of a higher cost of living, the cutting down of purchasing power. It is one reason for the great labour unrest, and also for the vast unemployment we have at the present day. As the hon. member for Centre Winnipeg (Mr. Woodsworth) and the hon. member for Bow River (Mr. Garland) state, there is not the slightest doubt that the trouble we are having in Nova Scotia at the present time with the British Empire Steel Corporation is very largely brought about by this evil. The question of watered stock touches every industry, every trade and every life in this country, and it is not surprising therefore, to find the following resolution passed by a convention in Alberta:

Whereas, what is commonly known as watered stock is largely responsible for the high cost of living.

Therefore, be it resolved, that legislation be enacted prohibiting this practice.

This was adopted by the Annual Convention of the United Farmers of Alberta held in Calgary, January 20, 1925. I have before me a very interesting book entitled Wake Up, Canada, written by C. W. Peterson, where he speaks on this subject at page 244, as follows:

It is also well to remember, as has been pointed out previously, that in most cases, the bulk of the common stock, in some cases practically all of it, merely represents allotments to promoters and bonus allowances to purchasers of the company's preferred stock or bonds. It is therefore in many cases clear loot, upon which the consumer has to provide dividends.

In the chapter headed, "The Looting of Canada," I find a statement showing the earnings available for common stock,—after deducting interest on bonds and dividends on preferred issues—of twenty different in-

dustrial enterprises in Canada. I will quote these figures to the House:

Name of Company	Common Stock Outstanding
Canada Car and Foundry Company.. ..	$ 4,963,000
Canada Cement Company..	13,500,000
Canadian Cottons Limited..	2,715,000
Canadian General Electric..	8,000,000
Canada Locomotive Company..	2,000,000
Dominion Bridge Company..	6,500,000
Dominion Canners, Limited..	2,794,000
Dominion Steel Company..	37,097,000
Dominion Textile Company..	5,000,000
Laurentide Company..	9,600,000
Lake of the Woods Milling Company.. ..	2,100,000
Maple Leaf Milling Company..	2,500,000
Nova Scotia Steel and Coal..	15,000,000
Ogilvie Flour Mills Company..	2,500,000
Penmans Limited..	2,150,000
Price Brothers and Company..	5,000,000
Riordon Pulp and Paper..	4,500,000
Sherwin-Williams Company of Canada.. ..	4,000,000
Steel Company of Canada..	11,500,000
Woods Manufacturing Company Limited..	1,718,000

I did intend to put a great many more figures on record, but the subject has been so very fully covered by the hon. members who preceded me that I will not take up time in so doing, but I do await with interest a statement of the policy of the government with regard to this subject.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Apparently we have had all the illumination on this subject that we are going to get from the government. The hon. Minister of Agriculture (Mr. Motherwell), when he thinks of how great that illumination has been, smiles in derision.

Mr. MOTHERWELL: I have not had the advantage of hearing the discussion.

Mr. MEIGHEN: Then it is just as well, as far as any light on the subject from the government side of the House is concerned. I have some opinions on the question. I do not think they are in agreement with any opinions offered so far—at least not in total agreement—but I shall present them to the House, in case they might be considered of some value by someone. The hon. member for Bow River (Mr. Garland) opened with an expression of deep sympathy for the government benches, in that they found themselves perforce silent on a question on which their enthusiasm just a short time ago knew no bounds at all. My sympathy really is with hon. friends to my left, that the hopes with which they looked forward to great drastic reforms on this question of watered stock, as on many others, are dashed to the ground. I of course compliment them on the placidity, the good nature with which they meet the situation. That is, for the most part; some of them seem to chafe under it, but others are more anxious to see that no Liberal opposes them in the next contest than they are to advance very far in the reforms they so long had at heart.

Mr. FORKE: What has that to do with watered stock?

Mr. MEIGHEN: Watered stock had a lot to do with the same question a few years ago, but watered stock sinks into insignificance beside the stock that is not watered, in this House. We all remember not only the speech referred to by the hon. member for Bow River (Mr. Garland) but the speeches of members of the present government themselves—yes, I have a very vivid recollection of the valiant attacks of the present Minister of Justice (Mr. Lapointe). He was a swordsman of wonderful skill, out in search of the big interests and these manipulators of watered stock; he was excelled only by the Prime Minister himself. But the cohorts were numerous, and this chamber used to ring with condemnation of the scandalous stock issues that were going out from the Secretary of State's office, and the whole practice of crushing the masses under this burden of overcapitalization.

The matter is brought up now by an hon. member to my left who has not forgotten his early training and beliefs. The hon. member presents the evils under which the people suffer, and he brings in a most moderate resolution for some sort of relief, doubtless in the hope that it would be accepted by the government. He asks them to do whatever is possible to alleviate the situation. The Secretary of State (Mr. Copp) representing the government replies, and I think I can give a synopsis of his reply. He admits that this is a very important question. He is pleased that it has been brought forward by the hon. gentleman of the Progressive party. He explains that it has caused a great deal of worry to himself and his officials. They have thought over it by day and slept over it by night. There are many phases to the question. Indeed, there are many kinds of watered stock. Some watered stock, he says, is given in payment of good will; other watered stock is given in payment of something else, so that there are different kinds of watered stock to complicate the situation, and thereby add to the difficulties of the administration. He ends, however, with the very momentous pledge, that this resolution moved by the hon. member will be placed by him before the officials of his department. Thus is represented the interest the government now has in the question of watered stock. The only sug-

gestion the minister made was that he was ready to do this honour to the hon. gentleman's resolution—he was ready to find it a secluded sepulchre.

I said in opening that I am not in full accord with hon. gentlemen to my left on this question. I do not think that all they attribute to watered stock is directly or logically attributable to it. I am against the practice of issuing watered stock and in favour of its curtailment, for the reason that it is, on its face and in essence, a misrepresentation. There is only one kind of watered stock, as everybody knows. What is meant by watered stock is watered stock issued for nothing. That is all. It is not watered stock issued for goodwill, but it is watered stock issued above the value of the goodwill, if for goodwill. In a word, all watered stock is issued for nothing and the public are invited to assume that it is worth its face value.

Before stating further the objections that I have to watered stock, let me refer to one or two allegations made by hon. gentlemen to my left. They seem to assume that watered stock forms the basis of a vested right to tariff protection. I take a position of direct opposition to any such assumption. I do not think watered stock forms any right whatever or constitutes any portion of any right to tariff protection. Nor, for that matter, do I think any stock constitutes in itself any portion of a right to tariff protection. Tariff protection does not rest on the need of paying dividends on stock. Tariff protection rests on the need of making a country and on nothing more. When hon. gentlemen lightly use the words that "the public are called upon to pay," I ask: Who calls upon them to pay? No government has a right to call upon them to pay and I do not know who there is besides a government. The public are not called upon to pay a nickel upon watered stock, or, for that matter, upon any stock. The public are absolutely free to pay or not to pay as they may see fit. Hon. gentlemen may say: But a company gets into a position where it has a monopoly of the field, and an instance is given of the Canada Cement Company. I am not saying that the Canada Cement Company is in that position; but if a company gets into the position of a monopoly, it does not get there because it has issued watered stock. It would be there just the same if it issued stock only to the value of the assets it possessed.

Mr. CAMPBELL: The contention that I made was that the company by amalgamation of competing companies was in a position thereby to raise its prices.

[Mr. Meighen.]

Mr. MEIGHEN: Very good. If such is the case, that unjust power of the company is due to the amalgamation and not to the fact that upon the amalgamation it issued watered stock. If upon amalgamation the Canada Cement Company had issued stock only to the exact value of even one-half the value of the property that went in, it would be none the less an amalgamation and it would hold just as great an area of Canada as its market.

Mr. CAMPBELL: Watered stock is a result, not a cause of the merger.

Mr. MEIGHEN: Watered stock is only an incident and has no relation to the power of the company after the amalgamation.

Mr. WOODSWORTH: Is it not true that companies refuse to pay higher wages on the ground that they cannot pay their dividends, those dividends being on watered stock?

Mr. MEIGHEN: As I know companies, they will not pay any more wages than they can avoid paying whether their stock is watered or not, nor will anybody else. They will pay the wages that they find they have to, first of all in the labour market and second, that will appear fairly satisfactory to the men employed. The question of the water in the company cannot be used logically by any concern. To my mind, no wage earner is so ignorant as to be in the slightest imposed upon by any company which urges the fact that it has to pay a dividend on watered stock, as a reason why it cannot pay wages.

Mr. WOODSWORTH: Some boards are so ignorant that they allow that to weigh with them in granting their awards.

Mr. MEIGHEN: If any board of conciliation is, it ought to surrender its charter. I cannot conceive of any board of conciliation so ignorant as that. In a word, the fact of the water gives a company no right whatever, not even an ostensible, plausible right in respect of wages or tariff or anything else. It is argued as well that the issue of large blocks of watered stock has the effect of deceiving the public. In this, I am in full agreement. It is certainly true that to give a certificate on its face value which it does not possess is very likely to deceive, or contributes at least to deceiving the intending purchaser. Therein I find the main objection to the issue of stock that can be said at all to be watered.

I am aware that especially in this country as a confederation many difficulties present themselves in remedying the situation The

provinces, as well as the Dominion, have the right to incorporate companies. The Dominion, upon its incorporation, has rights in respect of the control of capitalization of all kinds and the sale of stock representing the capitalization. It has no corresponding rights at all in respect of companies incorporated by a province. This Dominion incorporated most of the companies referred to by hon. members to my left. It incorporated the Canada Cement Company. It incorporated Ames-Holden, I think. It did not incorporate the British Empire Steel Corporation; that privilege was left for the government of Nova Scotia. But most of the companies complained of by hon. gentlemen to my left were incorporated federally, and whatever may be the responsibility for the issue of over-capitalization, it must rest on the government responsible for the issue of the letters of incorporation. But to the best of my recollection, every single one of the companies mentioned by hon. gentlemen to my left was incorporated either under this administration or under the administration which preceded 1911. It is a fact that all these mergers about which we have heard so much, the evils of which were crushing the population, were created one and all just a few years ago under the auspices and the authority of hon. gentlemen opposite or of their predecessors in the government of the Liberal party.

Mr. GOULD: Will the hon. gentleman tell the House why the charter of the Besco Company was refused by the federal government?

Mr. MEIGHEN: That could be done better by the hon. member who sits to my left (Sir Henry Drayton). However, I will give a frank answer. The application was made; it was held in the office of the Department of Finance for many weeks; and the charter was withheld on the ground that in the judgment of the department the capitalization issue was too high. It was finally withdrawn by the company itself; and no absolute, written refusal having been given, application was made to the government of Nova Scotia and a charter was issued in pursuance thereof.

I was going to make some reference to the companies mentioned by hon. gentlemen to my left. Let me say again, as I said before, that the actual incorporation of these companies, irrespective of the capitalization, gave them no right whatever to any tariff protection. In a word, the right to tariff protection does not rest upon the necessities of any concern at all; tariff protection is not in any way whatever an individual right. Tariff protection is a matter of policy, and the only question before a government or parliament is—is it better for the nation? It is not a question whether protection is needed by any corporation or individual.

Reference has been made repeatedly to the great amount of water injected into the stock issue of the Canada Cement Company. I do not think it can be reasonably disputed that this allegation is correct. Certainly, however, I was in no way, nor was any one of my political friends, responsible for its issue. I think it is a fact that that company to-day controls a very large share of the market of this country; I suppose it has reached perhaps the proportions of as large a controllable market as any single concern in Canada. Hon. gentlemen to my left as well as hon. members opposite used to inveigh against that condition of affairs; and they threatened that as respects the commodity produced by this particular concern there was going to be free entry into this Dominion after they came into power. Now, I may tell hon. gentlemen to my left, confidentially that I do not think that anything I could say would persuade hon. gentlemen opposite to interfere with the tariff on cement. But I do not want anything I shall say to indicate that it is my view that Canada suffers to-day because of the tariff on cement. I do not think it does. I believe it is a fact that to-day cement sells lower in this country than in the United States or in any of our competing countries. That I believe is true. I know there is a great deal of watered stock, but I do not think that those who suffer are the public of Canada. There doubtless are sufferers, I presume; but they are not, I say, the Canadian public. I have made that statement because I have no wish to appear as the defender of this concern; I do not need to defend it. As I said before, no appeal however fervent, nor any language however eloquent, on my part would have any effect on hon. gentlemen opposite in this respect.

The question comes, then, as to what can be done in this country under the difficulties I have mentioned incident to our federal system. We cannot control the issue of provincial charters. If we placed restrictions on the issue of federal charters which would give less rights to the companies applying federally, then they could apply provincially, the probable result would be that the number of provincial charters would be increased while the federal charters would diminish. What could be done would be mainly by co-operation with the provinces. And even then care would have to be taken that the restrictions were not such as might give to the incorpor-

ators in other countries, who would operate here under license, any advantage over Canadian concerns. I have always felt, and subject to any further light I can get on the question, I still feel, that there is no reason why stocks should have any par value at all. I do not know why the state should put its imprimatur on any special value attributable to a certificate of stock. Some years ago, I think a couple of years before the late government went out, we introduced and put through parliament an amendment to the Companies Act to provide for the issue of stock of no par value. Many companies have since been incorporated on that basis; their stock has no par value at all and therefore no one can be deceived. But of course the company still has the right to get stock and fix a par value if it applies. I presume that most of the applicants still ask for the issue of stock of regular par value, and if we ourselves were to proceed to limit the grants of charters to those who issued only stock of no par value, unless the provinces did likewise, it might result in a larger number of provincial issues and a withdrawal to a degree from the federal field. But if the provinces would concur and would adopt the practice of issuing charters only in the case of stock of no par value, it seems to me that a better state of affairs would ensue. No purchaser of the stock could be deceived by anything the government did. He might still be deceived by the seductions of agents; he might still be deceived by misrepresentation on the part of the company. But at least this parliament could be certain that he would not be deceived by a nominal par value across the face of a certificate, placed there on the authority of the government acting by virtue of a statute. This it seems to me would be a real reform. I have never seen advanced any reason that appealed to me at all, why the state should be asked to fix any special par value on a certificate of stock. And this in my judgment applies to preferred stock just as much as to common stock. As respects all that represents the proprietary interest in any concern, why should the state decide what the face value of a certificate is?

There would still remain the problem of controlling the sale of the stock even though it issued without par value. This cannot be done by the federal parliament alone. The federal parliament can control in the first place the sale of stock of companies enjoying federal charters; that is to say, the sale by the company itself. But we could not control the sale by those who purchased from the companies, in whatever form they might purchase.

Similarly, the provinces alone can control the sale in the first place of stock that issues from provincial companies but not the subsequent sale of stock after it has passed from the hands of the company itself. The different provinces have sought to effect such control; the first was Manitoba under the regime of the Roblin government. The blue sky law which that government put through the legislature was in my judgment most efficacious. At the time of the gas and oil boom of about thirteen years ago it saved innocent purchasers in that province hundreds of thousands if not millions of dollars. I do not know whether it is in effect now or not; until the Solicitor General intervened I was under the impression that it had been allowed to die.

Mr. McMURRAY: The late administration in Manitoba was defeated on a vote to provide for the payment of the Public Utilities Commission, and the present government of the province has set the law aside.

Mr. MEIGHEN: Yes, I did not think it was in effect at all at the time of the sale of the L. R. Steel stock.

Mr. FORKE: Is the Solicitor General correct in saying that that statute has been entirely set aside?

Mr. McMURRAY: That is my understanding—it has been set aside by the present government.

Mr. MEIGHEN: I do not want my hon. friends to my left to feel hampered because when in office they do not do what they are very enthusiastic about when in opposition.

Mr. FORKE: I thought that law was being administered by the municipal commissioner, Hon. Mr. McLeod. Of course, if the Solicitor General says that my impression is wrong—

Mr. McMURRAY: The law was left in abeyance for a year and a half.

Mr. MEIGHEN: For a long time it was not in effect at all. Now, it may appear from what I have said that the area of usefulness which remains in this respect is not very extensive. I do think that every encouragement should be given—and it is probable that legislative restrictions to that end could be imposed—I do think that every encouragement should be given to the issue of stock of no par value, and that an effort should be made to secure the co-operation of the provinces to adopt a like policy. If all did so, then there could be no misrepresentation under federal or provincial sanction, and

at the same time there would be no impoverishment of the powers of a company which would handicap it as compared with its competitors in other lands which might operate under license here. Let me say that I think a reform can be effected. I do not oppose the resolution at all. What I rose mostly to do was to declare my conviction that the extent of the reform is not half as great as the mass of people imagine, and the extent of the evil is not at all that portrayed by many who have spoken in this debate. It seems to me that we have far more watered stock to-day, Mr. Speaker, than we had a few years ago. Watered stock is stock that represents no value. What may be represented by water alone one day, may be represented by value a few years after; what may be represented by value one day may be represented by water a few years after. So water is not injected only on the incorporation; the water is the result of the process of time, of management, and of public policy, and the stock issues of thousands of companies which had par value, and for which full value was given, are to-day represented by nothing: they are water pure and simple and the water itself has evaporated. It is of far more concern to this parliament to see to it that we follow a policy which gives value to the operations of concerns, and thereby gives some value to their stock. It is far more important that we direct our attention to these things than that we worry over evils which to a large extent are imaginary, and which in any event at the present time are beyond our power to cure except to a small extent.

Mr. W. F. MACLEAN (South York): Mr. Speaker, I agree altogether with what the right hon. gentleman (Mr. Meighen) has said in regard to this resolution. But I would go a bit further and make a suggestion to the government, especially to the Acting Minister of Finance (Mr. Robb), that the way to get at the evil is through the income tax; and the income tax is with us now to stay for a good many years. If a company is found to be taking unfair advantage of the people, and I do not care how much watered stock is in it, I would subject its assets and its business to strict examination. If it is found to be taking unfair profits by reason of watered stock, let it be punished by increasing the income tax. In other words, have a flexible, adjustable income tax. The Pullman Car Company of Chicago is very heavily capitalized now. They know they are taking too much out of the public in their sleeper charges, and half of their profits now go back to the railway companies. I take it that the Canadian National is drawing an immense income from the contract that the old Grand Trunk had with the Pullman Company. Another great company over-capitalized is the Standard Oil Company, and they are making restitution to the public through the Rockefeller family, who have made enormous charitable donations for various public purposes. But the greatest over-capitalization in history is in process of formation in the United States, where the consolidation is being formed of all the telegraph companies, the Bell Telephone Company, and the cable and wireless companies, and the flotation will be made almost any day. There should be a way of getting at these companies, and the only way I see is to measure up the service they give against the income they receive from the public, and tax their enormous profits. As the leader of the opposition says, there are lots of companies that are no good now, and there is no reason why the public should continue to be taxed, even if Max Aitken did get a peerage because he floated a great deal of watered stock on the Canadian people. There is the example that is set up for all the boys of Canada to-day: Pe a Max Aitken and then you will become a peer in England.

You cannot punish the men who float these mergers, but you can make them share their over-profits with the public. The Acting Minister of Finance is looking for further income, and perhaps he and the Secretary of State will accept my suggestion. Let them get some "mousers" to find out how these excessive profits can be taxed. I want to tell him what takes place in the province of Ontario. There when estates are valued for probate, and the mouser they have up there in the attorney general thinks the valuations are too low, he checks them up and sees that a fair amount of the estate comes to the province by payment of higher duties. The Acting Minister of Finance is very much in need of increased revenue and he should devise such a scheme as this. The responsibility is not on private members to apply a cure, it is on him and on the government, and I hope instead of following the mild suggestion of the Secretary of State—he says to the House, "If you give us some suggestion we will follow it up"—I hope instead of following this course the government will realize that the duty is on them to frame a policy to protect the investor. The only way I can see of effecting this is to adopt more and more the principle of no par value stock. Let every one of these companies be investigated each year so that their assets and their profits may be accurately determined, regard-

less of the amount of watered stock there may be. They have no right to say that watered stock is entitled to a dividend and that before any tax can be imposed upon it the dividend must be paid. That is not the issue at all. It is the income of the company that ought to be taxed. The only way to get at the difficulty, especially where a company's income is based either upon a monopoly or upon watered stock, is to investigate the company every year; you will put the fear of God into them if they have to make an annual statement. The Minister of Justice (Mr. Lapointe) is going to vote on this; I want to tell him to get a mouser in his department and we will find out about these things. That is the only way to get rid of this grievance—and it is a grievance—with respect to watered stock. There are more victims of watered stock in this country than of anything else. As the right hon. gentleman (Mr. Meighen) says, the provinces and the Dominion must agree on this matter; we must have a united policy. But even that will not work out as effectively as the method I have just suggested. If you find a company making exorbitant profits, then they must know that they are not entitled either to the protection of the tariff or to protection in respect to their watered stock, to the extent that dividends must be paid on that stock before the public are protected.

Mr. JOHN EVANS (Saskatoon): Mr. Speaker, I did not think there could be any two opinions as to what watered stock is. To me the whole thing has a moral aspect apart from its economic side. There is no doubt that in the years past companies and promoters have capitalized the benefits granted to them by politicians in both the Dominion and the provincial legislatures, such as tariffs, bonuses, bounties, subsidies, tax exemptions, land grants and so on. Watered stock in capitalization is really an American feature, and I think it reached its peak in Canada during the administration of the Laurier government some years ago. To me the whole thing is a fraudulent abstraction of money from the pockets of the people. The representatives of the people, therefore, are entirely responsible for the whole thing. It does really amount in the end to a sale of the rights of the people, to giving the right to certain promoters to take money out of the pockets of the consumers and wage earners of this country. In a speech made in this House on March 22, 1892, Sir Richard Cartwright said:

> Thousands of dollars were turned over at Red Parlour conferences to those who devised robbery for the development of the election fund.

[Mr. W. F. Maclean.]

There is not a doubt in my mind that corruption is a part of the National Policy itself; that the National Policy tends to corruption of politicians. Indeed, Sir, the Labour Herald of Glace Bay, Nova Scotia, December 6, 1924, has this to say regarding the British Empire Steel Corporation:

> Some time before parliament adjourned Mr. Joe Steel, M.P.P., asked several questions in regard to the purchase of coal by the government for public buildings. Below we give the reply which he received. Study the prices paid to the different companies. Look at Inverness: bankrupt Inverness, gets as low as $4.60 per ton for coal, and the British Empire Steel Corporation for coal not one whit better, and in some respects not so good, receives $11.75. Why the difference of $7.15? There is only one answer: The British Empire Steel Corporation buys up governments, and politicians are for sale. No politician would ever look to bankrupt Inverness to finance his election or other expenses. But Besco can do it, and did it in Newfoundland. And where does Besco get the money to spend on corrupt politicians? Out of the public with the consent of the politicians.

Canada stands well up in the list to-day as an exploiting capitalistic country. From an editorial in the Ottawa Citizen of June 29, 1924, I clipped the following:

> The manufacturing of millionaires has been frequently mentioned, and recently there has been publicity added regarding the increase of inflated wealth through various corporation mergers. The formation of this one steel corporation is an excellent example of the prevailing method of "making" money.
>
> The authorized statements of the corporation provide the facts. The projected financial statement published over the name of the president discloses the fact that the liability for bonds and debenture stock, representing the intrinsic value of the properties, amounts to $31,102,000, to which must be added deferred payments of $1,484,000. There has been issued in addition to the foregoing $101,750,000, and so far as evidence appears in this regard, this amount appears to be entirely in the nature of a bonus distribution to the bondholders and the parties promoting the merger. The issuing of this large amount of liability of over $100,000,000 is easily balanced by a book entry, as in the case of the British company.
>
> On the asset side of the statement the "land, buildings, plant, machinery, mining properties, and equipment" is written up to $130,000,000 by simply adding to the bonded indebtedness of $31,000,000 the $101,000,000 of common and preferred stock. That this appears to be an exact statement of the facts is confirmed by data taken from Poor and Moody's Manual Consolidated for 1922. The old issues of the merging companies amounted to $63,000,000 common and $19,000,000 preferred. The merger transformed this into $24,000,000 common and $77,000,000 preferred, thus adding to the previous inflated capital the sum of $19,000,000 by way of still further inflation.

So there can be no doubt that to-day the British Empire Steel Corporation—and I say this in answer to the hon. member for Hants—(Mr. Martell)—are squeezing their employees to pay a dividend on this watered stock.

Again, perhaps Dominion Canners Limited will furnish a good example of the watered stock method of robbing the consumers of Canada. That is one of the greatest evils

of the protectionist system of this country. Some 43 companies amalgamated under the name of Dominion Canners Limited. This I take from an issue of the Farmers Sun of November 26, 1921. The actual capitalization of the various companies merged was $115,442,000. They were authorized to issue exactly double the amount of stock, or $230,884,000. Surely the responsibility must rest heavily on those who granted them this privilege.

Watered stock is essentially and particularly a feature of a protected nation. No doubt it is practised in some other countries, but as the Secretary of State said, the stock does have some value there in purchasing goodwill and the like; but here on this continent no value whatsoever seems to be given, and that is how the name of water has come to be used in this connection, because water really represents no value.

I need go no further to show the evils of the system, because my colleagues have already proved the existence of watered stock in the capitalization of many concerns. Some hon. gentlemen in this House are forever crying for more protection; but here is one feature of class privilege that is destroying even the industrial concerns whom it was supposed to benefit. We have built up the industrial concerns of this country on a plan on which it is now really impossible for them to compete. The hon. leader of the opposition declares that 2,000 of these factories have had to close their doors; he says he can vouch for the truth of this. But this is only what may be expected of all that are left before our industries come to run on a rock-bottom basis. It is not possible for an exporting country like Canada, for a country that derives most of its income from the export of agricultural products to ever carry on on this artificial basis. There is really only one industry in Canada that is paying its way to-day, and that is agriculture; and this industry has been bled for the last forty years for the sake of over-capitalized concerns. It is doubtful indeed if under the tariff system and watered stock capitalization we have not paid more in that way than even the total amount that has been paid by these industries in wages during all this time.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. EVANS: When the House took recess I had dealt briefly with the injustice that the infusion of water into the capitalization of certain concerns placed on other industries, agriculture in particular and consumers generally, by reason of the dividends which they claim the right to earn on that which is only nominal capital. There is another charge placed on the real wealth of the producer which constitutes an injustice. By charging an unjust price for any commodity—which must be done if dividends are earned on what is only water or nominal capital,—the company enjoying that privilege is able to pass on more easily than otherwise would be the case the whole of the legitimate taxation which it should pay. This extra burden has mostly been borne as I say by the agriculturist, because he is in a position where he is not able to pass it on as other industries can. Let me give an example from the Farmers' Sun of November 26, 1921, which reads:

> For example, the Dominion Textile Company has a capital of $5,000,000 common stock, of which only $500,000 was actually paid in, the balance "bonus" stock. On the actual capitalization it was shown by the Board of Commerce that they made 310 per cent, but on the "book" capital, they only earned 31 per cent.

Mr. WHITE: What year was that?

Mr. EVANS: In 1921.

Mr. ARTHURS: What was their dividend last year?

Mr. EVANS: I do not know.

Mr. ARTHURS: Was it anything approximating that amount?

Mr. EVANS: I cannot tell. This is a fact and I am only dealing with facts.

Mr. ARTHURS: Is there the same amount of water still in that stock?

Mr. EVANS: I cannot tell, I think there is.

Mr. MEIGHEN: Maybe the president lost some when he was over in Europe.

Mr. EVANS: That might be, I cannot tell. It must be apparent to hon. gentlemen that if an industry can pay 310 per cent on subscribed capital, a real injustice is caused to other industries in this Dominion.

Mr. MEIGHEN: What does the hon. gentleman mean by subscribed capital? Surely he does not mean that the Dominion Textile had only $500,000 of actual value in its plant?

Mr. EVANS: That is what I gathered from the article in the Farmers' Sun.

Mr. WHITE: I thought the hon. gentleman was dealing with facts.

Mr. EVANS: The hon. member can take the floor after I have finished, and show this

statement not to be a fact, if it is possible. Let us consider this fact: that during the war when there was a prospect of wheat being high in price and the farmer had a chance of meeting the profiteering of the factory owners and distributors, the government arrested the price of wheat. It was stabilized then at about fifty per cent of what it ought to have been, and what the price would likely have been, while the manufacturers of munitions and supplies of war were permitted, by their faithful representatives in this House, to sky-rocket their charges and mulct this Dominion to the extent of the two billions of dollars that represents the public debt. Now the agriculturist and wage earner are supposed to pay this debt, a thing they did not incur, while the manufacturer goes free from paying even a fractional part, because he is still enabled by protection and watered stock to pass on his just debts to the wealth producer. I say, Mr. Speaker, that the debt of this country belongs to the watered stock companies and not to the agriculturist who had the price of his product fixed by law. When deflation started the price of wheat was not kept at the stabilized price set by the government until all the other commodities that entered into the cost of living and production came down to that level, but wheat along with all the other farm products, including live stock, was the first to fall in prices. During all the time since the war closed the government has stood by and has been content to let all the watered stock bear dividends by further fleecing the agriculturist. Even the Canadian Pacific Railway Company, which has in the past divided melons of sixty and ninety million dollars among shareholders, were allowed to sky-rocket their rates so that ten per cent might be paid on hundreds of millions that they never invested in that concern. I say, Sir, that Canadian industries and public utilities will have to be drained of their water. It is time some idea of justice and equity prevailed in business throughout this Dominion, so that the different classes in the Dominion might have some confidence in each other and that the sectional differences of the country created by favouritism, class privilege and corruption, may be equalized before it is too late. It is useless at this time to talk of unity and optimism while these sores on the body politic exist, while parliament, instead of meeting out even-handed justice, is yet a place where privilege is dispensed.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, I should like to make a reference or two to the remarks delivered this afternoon. I was rather surprised to hear the Secretary of State (Mr. Copp) make the statement that people did not have to buy from these corporations. I should like to ask the Secretary of State if he would put that question to the citizens of Ottawa or to the citizens of Winnipeg or to the municipal council of any municipality, if they do not have to buy cement from the Canada Cement Company, or, if they buy from any other company, if they do not have to pay the price fixed by the Canada Cement Company, because that company absolutely controls the market to-day. Let me quote a little instance. On July 8, 1909, the city of Winnipeg purchased 25,000 barrels of cement which they secured at $1.77 per barrel. That was just before the merger took place. Three months later, after the merger was formed, they called for tenders for a smaller quantity. They received only three tenders each of them from an agent of the Canada Cement Company. They received tenders from no other company and the lowest price at which they could secure the cement was $2.24 a barrel. It is useless to ask the citizens of Winnipeg if they cannot buy the cement somewhere else and in that way avoid paying interest or dividends on watered stock.

Ask the people of Canada from the Atlantic to the Pacific if they can avoid buying their oil, gasoline or fuel oil from the Standard Oil Company, because, after all, every oil company that is doing business in Canada to-day, I care not what be its name, depends entirely upon the Standard Oil Company. There is really no competition in the oil business in Canada at the present time. It is controlled by that one company.

Ask the farmers of the northwest why they use the vessels of the Canada Steamship Company, why they provide business for that company. They have no alternative. The government of this country in putting a prohibitive rate on our railways to the sea prevents us from shipping our wheat to a logical point that would be a competing point for these vessels and forces us to hand it over to them whether we wish it or not. As usual, a great mass of legal difficulties is placed in the way of something being done. I have always found, since I have been in this House, that wherever something requires to be done for the common people, there is no end of legal difficulty in the way, the thing is impossible to overcome. But when one of the corporations needs something, these difficulties all seem to disappear immediately. When it was necessary to start the Canadian Pacific, to give it grants, cash subsidies, 25,-

000,000 acres of free land, there were no legal difficulties. The provincial governments, where these lands were situated, did not have to be consulted. The whole thing went through without any trouble. It all depends, to use the old and perhaps a little vulgar saying, whose ox is being gored.

The Canadian Northern came to this parliament in financial difficulties in 1917. If the government of that day had not wanted to deal with the matter, they could have placed any number of legal difficulties in the way of providing means for the Canadian Northern to carry on. They got over those difficulties. The difficulties automatically vanished, because this was a huge corporation looking for something. The government of that day started the printing presses running and they printed about $25,000,000 of money which they handed over to that company. I am not particularly criticizing the government of that day. In fact, I think they did right. It was necessary to do something quickly. But when the people of this country want something, when the farmers are in distress, when the working people of Nova Scotia are in trouble, there seems to be none of that statesmanship that was shown on that particular occasion.

Mr. MEIGHEN: The hon. member is referring only to the present. The late government never declined anything at the request of the people.

Mr. CAMPBELL: I am more particularly interested in the present than in the past, but most of these crimes were committed in the past. We are assured by the Secretary of State that the government is studying the question. How long is the government going to study it before it does anything? In the debate on the amendment to the Companies Act last session, the whole situation was placed before the government. The decision of the Supreme court in the case of the Ruthenian Elevator Company was laid before the government of that time. A year has gone by and the government is still studying the matter. How long does it intend to continue to study before some remedy is provided?

The Minister of the Interior (Mr. Stewart) invites me as mover of this resolution to come forward with an amendment to the act. I think that is a remarkable invitation to come from the government.

Mr. STEWART (Argenteuil): Will the hon. member please try to stick to what the Minister of the Interior said? He invited the hon. member to come to the department with suggestions. The government will take the responsibility for the amendments.

Mr. CAMPBELL: If I misunderstood the minister, I withdraw the statement, but I understood him to say that the mover should submit an amendment to the act.

Mr. STEWART (Argenteuil): I did not say that.

Mr. CAMPBELL: I think my responsibility ends when I place before the government the necessity for legislative and administrative action. The responsibility for that action is then entirely on the government. The members of the government are more interested in avoiding embarrassment for the administration than in meeting the situation and trying to secure a remedy for it. The hon. gentlemen on the treasury benches must accept that responsibility. They cannot continually invite suggestions from this side of the House. We give them suggestions, but the responsibility is on them to provide legislation. The Solicitor General (Mr. McMurray) invited some suggestions from the hon. member for Centre Winnipeg (Mr. Woodsworth), and I could not help thinking that if the hon. member for Centre Winnipeg were in the position of the Solicitor General, he would not be asking anybody on this side of the House for suggestions to deal with the situation, he would deal with it fearlessly, courageously and actually do something. That is what the people of this country want today. They want to see on the government benches men who are attempting something and not simply marking time. The confession of any government of inability to deal with a situation of this kind is simply a confession of inability to carry on the government itself.

We have been discussing for a long time a contract known as the Petersen agreement, the object of which is supposed to be the control of a combine. The government are making, or at least they think they are making, some attempt to deal with that situation, of which there is no doubt a good deal of political capital will be made in the country. They will appeal for popular support on the ground of what they are trying to do, whether the measure passes the House or not. Well, here is a combine that has existed for generations, and so far nothing effective has been done to control it. Here is an opportunity for the government to show itself to the country a real combine-smashing administration. If they take effective steps to cope with this evil they will have something tangible to show the country.

The Minister of Agriculture (Mr. Motherwell) a few nights ago declared that we must line up either for or against the combine. That is precisely what I want to see, and an excellent opportunity presents itself right now for hon. gentlemen in all parts of the chamber to line up either for or against a dangerous combine. All sorts of obstacles are placed before us, however; legal impediments are suggested; and the British North America Act is again brought forward. It seems to me that those hon. gentlemen who raise the British North America Act now as a legal difficulty which we cannot get over should have supported the resolution of my hon. friend from South York (Mr. Maclean) a few days ago when he proposed a means of meeting that difficulty. But I am not particularly concerned about that act. When there are on the treasury benches gentlemen who have the will to control watered stock, regardless of the British North America Act, such control will be brought about. It is only two years ago since the same legal difficulties were conjured up when it was proposed to institute a system of inspecting banks. Hon. gentlemen at that time said it could not be done and that statement was echoed all through the House; the whole atmosphere of government was filled with the same thing—it simply cannot be done. But we did it; it is a fact to-day.

Mr. ROBB: Who did it?

Mr. CAMPBELL: The government; but the government did it only when forced into action by public opinion. The government simply rode like a chip on the crest of a wave instead of directing the course of that wave. Now, I want to see on the government benches gentlemen who will direct these waves instead of being forced into a certain position by the trend of public opinion. We are controlling the insurance companies, for we have an officer with supervisory powers to keep in touch with them. We are also controlling our railways, and we are overseeing the banks. There is therefore no logical reason why the government should not exercise some control over the issue of watered stock. All that is needed is the will to action on the part of those in power.

Motion agreed to.

CUSTOMS TARIFF ON AUTOMOBILES AND MOTOR TRUCKS

Mr. G. G. COOTE (Macleod) moved:

That, in the opinion of this House, a substantial reduction should be made in the customs tariff on automobiles and motor trucks.

[Mr. Campbell.]

He said: The subject covered in this resolution is I am sure one of great importance both to the commercial and to the social life of the country. For the last forty years the question of a protective tariff has been, I think, the chief topic of debate between the two historic political parties of Canada, and no matter what party has been in power at any time we have always had a certain measure of protection. I hope that the present resolution, which I am sure is very moderate, will meet with a good measure of support from all parties in this House. The Liberal party has always advocated free trade or at least a low tariff policy. And the leader of the opposition (Mr. Meighen) will probably feel disposed to support the resolution; I believe it is very much in line with a motion moved by him in this House in 1911 in which he advocated a reduction in the duty on agricultural implements. On that occasion, if I understand his words correctly, he argued that when any industry had demonstrated its ability to export a large portion of its products the duty in respect of the particular commodity which that industry produced might safely be lowered. I will quote very briefly from the right hon. gentleman's remarks on that occasion. They will be found in Hansard of January 18, 1911, at page 1919:

The hon. member for South Lanark, at page 347, made the statement that by reason of the vastly growing exports abroad the manufacturers had demonstrated their ability to stand reductions. Further and more particularly is this the quotation that I wish to call attention to; the hon. gentleman said, as will be found at page 347 of Hansard:

I may observe here that the right hon. gentleman was referring to Hon. John Haggart, at one time Minister of Railways. He quoted Hon. Mr. Haggart as follows:

For the last fourteen years, protection in Canada has so developed our manufacturers that the government now think that a fair reduction in the tariff can be ventured on. They believe that our people can compete with less protection than formerly, and to prove that, it can be pointed out that we are now sending agricultural implements to many portions of the world.

I could read several further quotations from the speech of the right hon. gentleman, but I do not think it is necessary. I have called the attention of the House to the advisability of reducing the duty on automobiles, not because there are not many other lines on which the duty should be reduced, but because I believe that the large majority of the people of this country are firmly convinced of this necessity and are demanding that the duty on automobiles be lowered. When I say automobiles I include of course motor trucks; and I was prompted to bring this resolution be-

fore parliament more by reason of the price which is being demanded for trucks than because of the price charged for automobiles. As evidence that the people are demanding this reduction I would quote briefly from a speech made by the hon. member for Halton (Mr. Anderson) in this House in the session of 1923. At page 2841 of Hansard of May 17 of that year the hon. member said:

As I have previously stated, I am not a high protectionist, and I think there are some industries in this country which possibly are too highly protected. One of these, I think, is the automobile industry. This industry is making rapid strides in Canada and in the last year this country, a country of nine million people, exported half as many automobiles as did the United States, with a population of 110,000,000.

I will not read all the hon. member said about this reduction of duty, but I may point out that in his opinion the protection ought to be brought down to a rate of 25 per cent. I am sure, Mr. Speaker, you will agree with me that the hon. member for Centre Toronto, I think it is, is generally regarded as a very strong protectionist. I find that in his paper, the Orange Sentinel,—

Some hon. MEMBERS: Order. West Toronto.

Mr. COOTE: I stand corrected. I refer to the hon. member for West Toronto (Mr. Hocken). We have so many members from Toronto that we may be pardoned, Sir, if we sometimes do not designate them rightly. This editorial is headed, "Reduce the duty on motors," and proceeds:

Whatever else may be done with the customs tariff at the next session of parliament, there should be a substantial reduction in the duty on motor cars. It is clear from the prices quoted in the United States and Canada that the Canadian manufacturers are charging "all the traffic will stand." The duty of 35 per cent is more than protection. It is in part a government subsidy to the makers of automobiles. As long as the motor car was purely a luxury that only the rich could enjoy, there was not much reason for complaint. But the motor car has become a necessity in business and professional life, and those who are thus compelled to buy one should not be forced to pay excessive profits to the manufacturers. A certain type of car that sells in the United States at $1,875, costs $3,100 in Canada. That is altogether too wide a spread, and is not warranted by any factor in the trade. The American makers have larger production, it is true, but they pay higher wages, and there is no reason why their raw materials are any cheaper. The makers of motor cars in Canada are soaking the public unduly, and it is the duty of the government to lower the tariff, and in that way inject a little competition of American firms that will bring down the prices.

This editorial is from the Orange Sentinel of November 6, 1923. I have one other quotation which I should like to read in this connection. It is from the June number of the Textile Journal, a copy of which I think was sent to all the members of this House. It contains a plea from a great many manufacturers for more tariff protection, and this is the way that one manufacturer puts the case. He says:

We presume manufacturers in every line—

He is asking for more protection.

—with the possible exception of the automobiles, in which we think there is an exorbitant protection, are suffering along the same lines.

Wherever men are gathered together in this country to discuss matters of current interest the tariff is very likely to be one of the topics engaging their attention, and you will always find many supporters of a protective tariff policy, but when automobiles are mentioned almost unanimously it will be agreed that the duty is much too high. I believe that the figures respecting the export of automobiles will prove beyond a shadow of a doubt that our motor manufacturers should now be able to get along with a substantial reduction of the protection they are enjoying.

Mr. WHITE: What does the hon. gentleman understand by a substantial reduction?

Mr. COOTE: A great many different interpretations will be put on the word "substantial". Of course, if this resolution should be adopted as unanimously as the last one was, I have no doubt the government will interpret it to their own satisfaction. For my part, I would like to see the reduction very substantial. I would suggest about one-half of the present tariff. Of course, a little bit less than that might still be called substantial; I have before me a copy of the Ford Times, which I think is the official newspaper of the Ford Company of Canada. This issue is dated June 14, 1923, and contains an article headed, "Export trade bid of Canada hits the United States," which says:

During 1922 the Dominion came through to the point of crowding the United States, exporting 37,958 motor vehicles, or almost half as many as our competitor across the border.

It gives figures for the different years, but I do not think it is necessary to take the time of the House quoting these. The article proceeds:

For the calendar year 1923 statistics show that there were manufactured in Canada 147,582 motor cars and trucks. Of these 69,920 were exported and 77,662 were consumed in Canada. That is, our exports were 47 per cent of the total output of our Canadian factories.

The value of automobile imports for 1924 was $11,443,158, the value of our automobile exports was $33,828,692, or approximately three times the value of our imports.

I have here, Mr. Speaker, a list taken from a publication by the Trade and Commerce department giving the exportation of motor

cars and trucks from Canada. I find that we exported cars and trucks to ninety-seven countries, dependencies and colonies being included under that term. The list includes automoblie exports to the following countries:

The United Kingdom	$5,575,000
East Africa	135,000
South Africa	2,480,000
British India	2,043,000
Ceylon	231,000
Straits Settlements	478,000
Australia	6,115,000
New Zealand	4,680,000
Argentine Republic	1,413,000
Belgium	201,000
China	135,000
Cuba	89,000
Japan	227,000
Mexico	153,000
Netherlands	240,000
Dutch East Indies	676,000
Spain	153,000
Sweden	545,000
Uruguay	174,000
Venezuela	70,000

Total exports of automobiles were $27,246,000. Motor trucks were exported to a total value of $5,496,000. In addition we exported automobile parts valued at $4,162,000. Surely if ability to export is any determining factor, the tariff on automobiles—and trucks—might safely be reduced. I am quite free to admit that Canadian exporters enjoyed an advantage in certain British countries over their American competitors, but that advantage in the United Kingdom, to which we exported very largely, was only a margin of 10 per cent. If our automobile manufacturers can export so many cars to Great Britain in the face of this competition from the United States with only 10 per cent preference, why do they need 35 per cent protection in Canada?

Then there is another phase of the industry which might be considered in determining whether the tariff can safely be reduced. I want to call attention to some figures which were given before the special committee on Agricultural Conditions in this House two years ago. Take the case of the Ford Motor Company of Canada, the report in connection with which will be found on page 981 of the proceedings of that committee. According to the evidence submitted at that time the Ford Company of Canada was formed in 1903 with a nominal capital of $125,000, of which $62,000 was paid up in cash. The balance of the stock was issued, I think, to Mr. Ford and his associates for their patent rights on the Ford car. At page 997 the statement was made by an official of the company that no fresh money was subsequently taken in as capital, that the increased capital all came from earnings. The capital at that time was $7,000,000; cash dividends paid were $10,000,000; surplus and present worth, $12,500,000. That means that $29,500,000 had grown up from the original investment of $125,000. In a recent issue of the Financial Post of Toronto there is this item regarding the Ford Company of Canada:

During the past week Ford of Canada sold at 498 at New York, and there has been a bid of 500 with no stock offering on the Toronto exchange. This is a new high for these shares. Last January and again in March they reached 485, but have been down around 450 since then, the last sale being at 450 on Nov. 6. No reason is advanced for the activity in the shares unless it is expectation in the way of melon splitting. Shareholders have not been overburdened with dividends of late years, the company having paid but 10 per cent in 1924 and a similar amount in 1923. Earnings justified a greater payment. In 1923 they were $5,106,197 and 1924, $3,719,187, while the 10 per-cent dividend took $700,000 each year. Surplus to-day stands at $19,609,861. It is interesting to review the dividend position of the shares since the company was organized in 1906 with $125,000 capitalization, reorganized 1911, $1,000,000 capital and again 1916, $10,000,000 capital, $7,000.000 issued.

That was a pretty nice melon, Mr. Speaker—to raise it from $1,000,000 to $7,000,000 at one issue. Dividend payments have been as follows. I do not think I need read all the list; if there is no objection I would like it placed on Hansard.

The list is as follows:

	Dividend Payments	
	Per cent	Amount
1905	6	7,488
1908	10	12,500
1909	25	31,250
1910	100	125,000
1911	100	125,000
1912	500 (stock)	625,000
1913	20	150,000
1913	33 1-3 (stock)	250,000
1914	10	100,000
1915	110	1,100,000
1916	600 (stock)	6,000,000
1917	5	350,000
1918	5	350,000
1919	35	2,450,000
1920	15	1,050,000
1921	30	2,100,000
1922	30	2,100,000
1923	10	700,000
1924	10	700,000

The total cash dividends to date have $11,451,000 and the total stock dividends $6,875,000, a total of $18,326,238. I have pointed out that the capital stock is now $7,000,000. At $500 per share—that is what this article says the price has been on the market—the capital stock would be worth $35,000,000. On an investment of $125,000 the company has paid in cash dividends $11,451,238 and their capital stock is now worth on the market $35,000,000. In other words, if a man had invested $1,000 in stock of the Ford Company on the formation of the company he would have drawn in cash dividends $90,000; his stock at the present market price

would be worth $280,000, making a total of $370,000 from an investment of $1,000.

Mr. CALDWELL: That is in about twenty years?

Mr. COOTE: Yes.

Mr. GOOD: It is better than farming.

Mr. COOTE: Yes, I think it would make most of our gold mines in Canada look rather poor. Some of the other automobile manufacturing concerns might show a similar statement, but I have not been able to get any information along that line. If the financial condition of this firm is any indication of the condition generally—or even if it is not—there would appear to be good reason why the tariff should be reduced.

Another reason why there should be a reduction in the duty is that the prices of automobiles and trucks in Canada to-day are not based on the cost of production. The automobile manufacturers are basing their prices in Canada on the United States price plus the duty of 35 per cent. It should be noted that there is an excise tax of 5 per cent in the United States and when our customs officials collect the duty on imported cars they add the 5 per cent excise tax to the sale price in the United States and use that as the value for duty purposes. This in reality makes the duty approximately 37 per cent of the price in the United States. There is in Canada in addition a sales tax of 5 per cent based on the duty paid value of the car and an excise tax of 5 per cent on the duty paid value up to $1,200 and 10 per cent upon any value in excess of $1,200. Take the case of a car which costs $985 in the United States; when the duty, sales tax and excise taxes which I have described are added, the cost of the car in Canada becomes $1,487.66. That same car is priced at $1,506 in the city of Toronto; the difference, I presume, would be the freight Detroit to Toronto. That, I may say, has reference to a car that is to-day being assembled in Canada. If the individual purchases the car in the United States he has to pay that 5 per cent excise tax before he gets it from the dealer, and a $985 car with that 5 per cent excise tax in the United States added would cost $1,545.27 by the time he landed it in Canada.

To prove that these manufacturers of cars are adding not only the 35 per cent but two or three per cent extra, which they are able to do because of this excise tax in the United States, I would like to quote here a list of prices at the factory on cars in the United States and in Canada, with the percentage of increase of Canadian price over that of the United States. I would like to have this list also placed on Hansard, if there is no objection.

The list is as follows:

	United States Price	Canadian Price	Per-centage Increase
Ford touring car	$375	$520	38.6
Ford Tudor sedan..	580	755	....
Ford Fordor sedan	660	895	....
Extra for full balloon tires..	25	50	....
Chevrolet touring car ..	525	730	....
Chevrolet coach..	735	1,015	38
Essex coach..	895	1,225	37
Maxwell sedan..	1,095	1,535	40
Chrysler sedan..	2,170	3,025	40
McLaughlin-Buick coach..	1,295	1,820	41
Oldsmobile coach..	1,075	1,495	39
Oakland coach..	1,215	1,695	39
Hudson coach..	1,345	1,840	37
Overland touring car	495	710	40

Canadian prices are from 37 per cent to 41 per cent higher than United States prices.

To show hon. members what these cars cost in some districts in Canada, where we have to add a high freight rate, I would like to quote the following:

A Studebaker coach in the United States costs $1,295; the same car at Calgary cost $2,145.

A Star touring car in the United States costs $540; the same car in Ottawa costs $845.

A Star sedan in the United States costs $820; in Ottawa $1,285.

An Overland five-passenger sedan in the United States costs $715; in Ottawa $1,275.

A Dodge special touring car in the United States costs $985; in Ottawa $1,515.

A Dodge sedan in the United States costs $1,095; in Ottawa $1,940.

A Ford touring car, fully equipped with starter and demountable rim, in the United States costs $375; the same car in Calgary costs $675 or an increase of $300 on $375.

I am quoting these figures just to show what these cars are costing consumers in distant parts of Canada. I go on:

A Fordor sedan in the United States costs $660; the same car in Calgary costs $1,085.

Mr. MacLEAN (Prince): The hon. member has given the percentages of increased cost in Canada as compared with the United States. Can he tell us why there is a difference of from 35 to 40 per cent on different makes of cars, when the duty is all the same?

Mr. COOTE: I think it is from 37 to 41 per cent; I have no explanation of that, although one hon. member suggests that they add all that the traffic will bear. They have

certainly got very close to the price which we would have to pay in the United States plus the 5 per cent excise tax there, and then they have added the duty and our own sales tax as well.

I have a list here of several makes of cars giving the price in the United States and the price in Toronto, which is the closest point to the United States where I could obtain prices. I may say that I had no difficulty in securing the prices of all American cars, but it is a little more difficult to secure the same data in regard to Canada; at least, I had trouble in finding any publication that would give me all the prices in Canada. If I have the permission of hon. members I will insert this list on Hansard. It is not very long, and simply goes to prove that this practice is almost universal among Canadian companies of pricing their cars at the United States price plus all the duty which they can add.

	U.S.	Tax paid Toronto
Chevrolet 5-passenger touring car..	$ 525	$ 817
Chevrolet coach..	735	1,118
Chevrolet 5-passenger sedan.. .. .	825	1,279
Star 5-passenger touring car.. .. .	540	844
Star sedan..	820	1,276
Dodge 5-passenger touring car.. ..	885	1,404
Dodge special touring car..	985	1,506
Overland 5-passenger touring car ..	495	783
Overland 5-passenger sedan..	715	1,199
Jewett 5-passenger touring car.. .	1,205	1,895
Jewett coupe..	1,340	2,125
Nash special 5-passenger touring car.	1,095	1,750
Durant touring car..	830	1,395

I would now like to make a few remarks in regard to the duty on second hand cars which Canadians sometimes import from the United States. I took this matter up with the Department of Customs and in a memorandum which they prepared for me on the subject of used cars they state:

Used motor cars are subject to appraisal at the time and place of importation according to the condition of the imported cars. The practice of appraisers is to base the valuation on the list price of corresponding current models of imported cars and, under average conditions, to allow discounts for depreciation as follows:

Cars listed at less than $1,000	
1 year's use	25 per cent

Mr. Speaker, you can go to the United States and buy these cars at a depreciation of 50 per cent. Why should the customs authorities take it upon themselves to arbitrarily say: No matter what you paid for this car you are going to pay duty on the basis of the list price of the car less depreciation of 25 per cent? On a car that has been in use two years they allow depreciation of 35 per cent; on a car in use for three years, 45 per cent; on a car that has been in use four years, 50 per cent. Now you can go to the United States and secure a car that has had four years use at a depreciation of at least 80 per cent on the list price. On cars listed at $1,000 and over, after one year's use, 30 per cent depreciation is allowed. That should be at least 50 per cent. After two years use of the same car depreciation of 45 per cent is allowed; after three years use, 55 per cent; after four years use, 60 per cent.

Now you can get a used car costing originally $1,000 at a depreciation of from 80 to 90 per cent in the United States at any time, and anyone who will take the trouble to take an American newspaper and look at the advertisements for used cars will find that I have stated it conservatively.

I would like to give just two examples that have come under my notice of the valuation that has been placed on used cars by customs officers for duty purposes. In one case a Ford motor car was purchased in Spokane for $50 by two young men who were coming up to harvest in Alberta. When they got to the line the customs officer demanded $50 duty and tax on that car. They told him they had only paid $50 for the car and did not intend to pay $50 duty, and he could take the car.

The other case was of five young men coming up to harvest in Alberta who had a Chevrolet, 1920 model. I am sure that car could have been bought second-hand any place in the United States for $100 or less. They were required to pay $97 duty on that car. I am sure that statement is correct because I know these young men. As a matter of fact, when they got as far north as my place they were absolutely broke, and could not go any farther because they had no money to buy gas. They had to get work. It had taken all their money to pay the duty.

I feel this is a matter of very great importance to Canadians. A world car census recently made places Canada third in the number of cars used. The United States is first with 15,222,000 cars, or one car to about every seven people. Great Britain is second with 655,000, and Canada third with 642,571, or one car to about fourteen people. With our sparse population scattered over such a large territory we need more motor cars and trucks. After all, Mr. Speaker, this is, I think, a question of transportation. Can we afford to pay 50 per cent more for our cars and trucks than the people of the United States? As a matter of fact, I believe this is one of the factors which is responsible for so many of our people having moved to the United States. People to-day are bound to have motor cars, and if they can get a motor car across the line for 50 per cent less than they have to pay here,

other things being equal, they are very likely to go across the line. In many cases the price is prohibitive here, and they feel that if they go to the United States, where used cars particularly can be had very cheap, they will be able to enjoy the advantages of a car.

9 p.m.

Transportation is one of the greatest questions confronting this country to-day. That is stated in the Speech from the Throne, and I take it that it must be a fact. Here is what the Ford Times says about one phase of this question:

> The development of the automotive industry is only a logical sequence of the demand for transportation facilities, which have always played a major part in opening up a land to its fullest possibilities. With vast unopened areas in our land of huge distances, proper railroad service could not be a paying or a practical proposition. The need for transportation still remains and is of prime importance in changing these waste spaces into productive areas. No country can rise to its full height of importance without adequate transportation. Those who wonder at the continued increase in the sale of automobiles must realize that the big increases are in cars selling for less than $1,000. These constitute more than 80 per cent of the present market. Such cars are bought for their money-earning power. They earn their cost and keep. The automobile industry could never have attained its present tremendous totals over a period of 23 years had not its product more than justified itself economically. Its proper use lengthens life, increases efficiency, stimulates general business and promotes the wealth and stability of the nation.

Cars, Mr. Speaker, are a necessity for many people—doctors, merchants, travellers and I would also say many of our preachers, particularly in the western provinces, and more particularly our farmers. I have heard it estimated that our farmers in Alberta live on an average about twelve miles from the railway station, but that not more than one-third of them have motor cars. This government has always been preaching to these people that they should engage in mixed farming. The government want these farmers to milk cows, and if the farmers are to milk the cows, as we have very few cheese factories in that country, the cream must be taken to the creamery or to the station. It should be taken at least twice a week, particularly in warm weather. The man who lives ten or twelve miles from the station and has to make two trips to town during the week, is going to lose two days off the land, if he has to drive a team, because he cannot make the trip in half a day. If he has a car he will likely take the cream can to town in the evening, after he has done his day's work. We have many farmers in the west who are hauling their grain twenty or twenty-five miles or even further to the railways stations. When they used horses these men took two days to make the round trip to town and back. I want hon. members to consider what a task that is. They must go to the hotel at night, pay for a bed, and two meals, put their horses in a livery stable and pay a livery bill for them. But with a motor truck many of them can make two trips to town in one day. I was told that in one district in my constituency there were over twenty farmers this fall who were using motor trucks, most of them hauling their wheat twenty or twenty-two miles to the station. These men complained that their trucks cost them practically fifty per cent more than they cost across the line. Do hon. gentlemen think these farmers are prosperous enough to be able to pay the increased price? With regard to this question Henry Ford says:

> The great trouble with farming is that it involves too much unnecessary work. There is no reason why agriculture may not hope to come abreast of the other industries in the near future, if the farmer will turn his attention to modern industrial methods, instead of to the problem of borrowing money. There is no food scarcity. The problem is not one of how to increase production, and thereby pile up a surplus for speculators to play with, but how to simplify production and distribution so that less human energy shall be wasted in the process.

Thus is America's industrial genius quoted in a recent issue of Farm and Home.

This government has spent millions of dollars to get people on the land, and one trouble they have is that after they get people on the land many of them will not stay there. If there is one thing more than another necessary to keep people on the land it is improved transportation facilities which implies liberty to purchase automobiles at a reasonable price. Here is another article taken from the Ford Times. It reads:

> Autos Reduce The Farm Migration
>
> Easy to Get to Town Now; Just a Case of Starting the Family Car
>
> The farm telephone, the coming of labour-saving devices and the low-priced auto are three of the greatest factors in checking the admittedly large migration from the farm.

I want to say a word particularly in behalf of the farm women. Many of these women living on a farm anywhere from ten to twenty miles from town live a very lonely life indeed, and I do not wonder that they leave their farms. The only wonder to me is that so many of them stay as long as they do. This article says:

> Many a farm wife will testify that it has meant the disappearance of monotony, since in pre-auto days to get away meant harnessing up an already tired horse, with a limited radius. Now it is just a case of starting the family car, with a triple radius of possibility.

As I said before, Mr. Speaker, I think it would be a very liberal estimate to say that one farmer out of three in the province of Alberta is able to own a motor car. The importance of this subject is demonstrated by the fact that we spent in the year 1923 in Canada probably a hundred million dollars in the purchase of automobiles and trucks. The value of cars manufactured in Canada for home consumption was $63,541,000 and the value of imported cars and trucks, $11,443,000, making a total of $74,984,000. If you would add to this the amount of duty paid on imported cars, the sales tax, excise tax and retail commission, it would probably run over one hundred million dollars. A reduction of ten per cent in the selling price of cars in Canada would make available ten million dollars of new purchasing power, which would be used to purchase more automobiles and more of the common necessities of life, and the taxation incident to the spending of that ten million dollars would bring in considerable revenue to the Finance department.

Now, Mr. Speaker, I presume that the question will be asked—I am a little surprised it has not been asked already—what are you going to do to make up the loss of revenue? Because there would be some loss of revenue. For the fiscal year ending 31st March, 1924, the duty on automobile parts not otherwise provided imported into Canada was $5,123,000, on engines $1,389,000, on rubber tires for vehicles of all kinds $351,000, giving a total of $6,864,000 duty collected on automobile parts. Forty-seven per cent of the cars and trucks made in Canada were exported, so that you would deduct forty-seven per cent of this amount for drawbacks and that would give you an amount of $3,226,000. The total of drawbacks paid to automobile manufacturers was $5,223,000.

If you take off $3,226,000 drawback, that would leave a net balance of $3,637,000; then add to that the customs collected on motor cars, $3,316,000, and the customs collected on trucks, $661,000, and you have a total of $7,615,000.

Mr. EULER: I understood the hon. member to say there would be a reduction in the revenue if the duty were decreased. Does he assume that there would be no greater number of importations than we have now, or does he think that it would follow that because there is a reduction in duty and consequently a reduction in the price of American cars, that the Canadian manufacturer would merely reduce his price and sell just as many cars?

[Mr. Coote.]

Mr. CALDWELL: Sell more.

Mr. COOTE: I would not anticipate any greater importation of American cars. I think the Canadian manufacturer would reduce the price and we would buy Canadian cars just as we are doing now, and I may say I think it would be a good thing so far as general industry is concerned. I believe there would be more motor cars sold and more men employed in Canada than there are to-day in that particular industry. Supposing that a reduction of 17½ per cent even were made in the present tariff, there would apparently be a net loss of $3,807,000. The excise tax collected in 1904 was $2,689,399. Supposing we added 7½ per cent to the excise tax. This would give an increase in revenue of approximately $4,000,000, which would a little more than offset the loss of revenue by the reduction in the tariff if we made the same number of importations of foreign cars. You could thus reduce the price of automobiles 10 per cent without interfering in any way with our revenues through customs and excise.

Statistics for the year 1923 which I have here show that the value of cars manufactured in Canada in 1923 was $97,369,814. Deduct from that the value of passenger cars exported, $29,325,000 and the value of trucks exported $4,503,000, and you have a total manufactured value of cars consumed at home of $63,541,814. This value is about one-third more on account of the tariff of 35 per cent, or it actually works out at a little more than 35 per cent, as I tried to show earlier in my remarks. Let us assume that we paid $20,000,000 more for these cars on account of the duty. The number of men employed in the industry last year was 9,305 persons at an average wage of $1,600 and the total amount paid in wages was $14,998,000. Or in other words, we paid in increased prices on account of the tariff $5,000,000 more than the total salaries and wages paid by the industry. Is it good business for us to pay such a price for the establishment of this industry in Canada, or I should say, after the industry is established, should we continue to pay this price? After all, who is going to benefit from the tariff? The Ford Times of June 14, 1923 refers to the erection of its new plant at Ford, Ontario, in these words:

> Hard by, the new $10,000,000 Ford factory is rapidly nearing completion and when the wheels of production start turning there, Canada can boast the largest automobile plant in the British Empire.

Canada does not own that plant. The bulk of the stock and bonds in that industry is owned in the United States. It is hard to get definite figures in regard to the percentage

of capital in this industry controlled in Canada and in the United States, but the latest figures I have seen state that 80 per cent of the capital invested in this industry is owned in the United States. As I have shown in the case of at least one large company, it has all been built up out of earnings in Canada, yet it is largely owned now in the United States. In a clipping from the Financial Post of February 29, 1924, there is this statement:

> Practically all the manufacturing plants in Canada are either branches of American factories or are controlled by American capital their location in the Dominion enabling them to take advantage of the preferential tariff treatment in certain countries of the British Empire.

This is a little clipping also from the Post in regard to the Dodge Brothers plant being established in Canada:

> Establishment of this plant overcomes the handicap in Canadian operations resulting from tariff requirements and enables the company to market its cars at prices more in line with those in the United States.

When I think of how we have bled ourselves for the benefit of these American millionaires, I am tempted to exclaim as did the hon. member for Hants (Mr. Martell) a year ago: "How long, Oh, Lord, how long?"

I have here, I think it is an editorial originally printed in the Vancouver Sun, but it is reprinted in the Ford Times of Ford, Ontario. I presume when they reprint it in their editorial column they must approve it:

> To-day, the purchasing power of the American dollar is 100 cents. Compared with the goods which that American dollar will buy in United States, our Canadian dollar, spent in Canada, will buy goods worth not more than 70 cents, and it makes no difference whether the purchase is an automobile, a pound of sugar, or a cotton dress.

I believe as regards automobiles I have proved that is the case. If the Ford Times published this editorial, surely they must approve the sentiments contained therein, and I do not believe they would seriously object to a reduction in the tariff. Later on in the editorial, there is this statement:

> The question is, do we Canadians really want Canada to prosper and grow? If we do, we must cut out sentiment and get down to economics. We must abandon some of our hopeless, helpless, tariff-bred weaknesses and get down to business. We have lived so long on government subvention and government protection that we have forgotten how to do business without it.

In conclusion, I believe that all members must admit the importance of motor cars and trucks in the economic and social life of this country. I think I have produced evidence to show that the prices of these articles have been advanced to the very limit allowed by the protective tariff. The ability of our manufacturers to export their product has been amply proven, and I have also proved that the financial position of firms engaged in this industry is such that a substantial reduction in the tariff might safely be made and I believe it would be in the interest of this country if such a reduction were made.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, the resolution presented by my hon. friend to-night appears to be one that might well be left over until the budget is brought down.

Mr. COOTE: Too late.

Mr. ROBB: I am not finding any fault with my hon. friend for introducing this resolution to-night. He apparently has given it considerable study and has dug deeply into the accounts of the importations and the revenues. I wish to deal for a moment with one feature of the observations of my hon. friend regarding the capitalization of companies engaged in the manufacture of automobiles in Canada. If I followed the hon. gentleman closely, I think he said that 80 per cent of the capital invested in the automobile industry of Canada came from the United States.

Mr. COOTE: Eighty per cent.

Mr. ROBB: I was wondering whether the hon. gentleman had later statistics than those he quoted last year, because I find that when he discussed this question at that time, and with considerable interest, he made the statement, as will be found at page 2493 of Hansard, that 77.7 per cent of the invested capital in this industry in Canada was from the United States. If his statement to-night is correct it would seem that there has been some United States capital invested in the business since then. But without going into that feature, I would remind the hon. gentleman that no matter where the capital comes from, the industry gives employment to Canadian labour. There are 78 plants engaged in the manufacture of automobiles and their accessories in Canada, employing Canadian labour, and subject to Canadian taxation, a considerable amount in taxes finding its way into the Canadian treasury.

My hon. friend quoted some prices to show the difference in value between an automobile in the United States and one of similar pattern and style in Canada. I know of course that there is some discrimination, but we account for part of it ourselves. The hon. member will bear in mind that we place a sales tax on the automobile of 5 per cent, and we also impose a luxury tax of 5 per cent on

automobiles costing up to $1,200, and 10 per cent on those over $1,200. I mention this figure to remind my hon. friend that the difference in the duty, even admitting his figures does not account for the difference in the respective prices. I agree with the hon. gentleman that in many parts of Canada the automobile has become a necessity. But it is not always a necessity for there are many people owning and operating motor cars who in my opinion would be better off without them. And when I make this statement it is not because of the fact that I have never owned an automobile myself; I have never owned one for the reason that I never felt I could afford to keep and operate it. In the first place, I do not like to dig down for the price, and in the second place owning a car takes you away from your business, whether you are farmer or manufacturer, when you might well be at home. However, I will not pursue that thought further.

I would observe that there are two sides to the question the hon. member has advanced regarding the cost of automobiles to the Canadian people. I will admit that automobiles do cost the individual a lot of money. But I suppose that every hon. member in this House can recall the day when there were no automobiles in Canada; and when these machines were first introduced they stalled on the road about as often as they were made to go. In those early days a man who wanted an impressive turnout did not send to England for a Rolls Royce nor to the United States for a Marmon; and of course he would not have to pay any revenue to the country. What he did was to buy a pair of high steppers, so that neither the municipality nor the province got anything out of him in the way of taxes for driving his equipage along the highway. But the advent of the automobile has changed all that, and I submit that the provinces through their legislation have recognized that the automobile is a luxury, or at any rate if not a luxury a great expense to the country.

As my hon. friend has truly said, we have in Canada a considerable number of cars. I do not remember the figures he gave but the record I have is 513,821. From the owners of these cars the provinces collect in taxes the sum of $9,290,900.82; in the Yukon Territory—and one must wonder what they can do with cars away up there—there are 86 automobiles. I am not sure what the population of the Yukon is outside of government officials. In the various provinces the number of cars owned and the revenue collected on account of them will be seen in the following table:

	No. of Cars	Revenue
Prince Edward Island	2,167	$ 46,801 20
Nova Scotia	16,159	418,241 79
New Brunswick	13,746	301,272 16
Quebec	61,995	1,891,626 53
Ontario	240,933	3,823,704 60
Manitoba	42,200	588,369 95
Saskatchewan	61,367	701,492 50
Alberta	40,642	716,873 25
British Columbia	34,526	802,518 84

The foregoing table will show the revenue collected in each of the provinces. But there is also another source of income to some of the provinces from the operation of automobiles. British Columbia, Manitoba, Quebec and Prince Edward Island impose a tax on gasoline, so that these provinces regard the automobile as a fair object of taxation. In the early days, when people bought high steppers rather than Rolls Royces and Marmons, no one thought of levying a tax on oats as some of the provinces to-day impose a tax on gasoline. The whole situation therefore has changed. The fact of the matter is that the automobile has cost the different provinces of Canada millions of dollars to improve their roadways besides huge sums annually to maintain them. I submit to the hon. gentleman that the automobile is a fair source from which to collect revenue.

As I said in opening, it is on the eve of the budget, and the government must have revenue from some source. Demands come to the government from those who desire expenditure for new railways, the extension of existing railways, harbour improvements, bridges, grain elevators and other public works,—these alternating with requests that we part with various sources of our revenue. If we are to meet our national obligations—the interest on the national debt, the pensions that we owe to our soldiers and the widows and orphans of those who will never come back, and the cost of administration, we must have revenue from some source, and if you take away the revenue we are getting from automobiles we must secure it by imposing duties upon some other commodity. My hon. friend has suggested that we impose an additional excise tax. Well, that is a subject worth considering. We are now imposing a 5 per cent sales tax and a 5 per cent luxury tax upon automobiles up to a value of $1,200, and a further 5 per cent luxury tax upon automobiles above that value. I submit that my hon. friend having debated the resolution, might very well not press it to a conclusion but await the bringing down of the budget.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, the Acting Minister of Finance (Mr Robb) seemed to place a great deal of emphasis upon what he considered would be the result of putting the principle of this resolution into practical effect, that it would necessarily entail a loss of revenue. I am not altogether certain that this would be the result, and in support of my view I propose to quote a few figures of the manufacture and sale of automobiles in Canada. In 1920 the value of automobiles and automobile parts manufactured in Canada was $137,420,000. The wages paid amounted to $19,368,000. Autos and auto parts to the value of $20,911,000 were exported, leaving the balance sold at home at $116,509,000. On the basis of the wages involved in the manufacture of the total, the wages chargeable to home production would be $16,376,000. If we reduce the purchase price of these to an import basis, that is, eliminating the amount of duty, which of course the manufacturer had the advantage of, the import value would be $101,792,000. Had these cars and parts been imported instead of manufactured here, they would have turned into the treasury of the Dominion in 1920 a sum of $35,627,000. So that we would have been considerably better off if we had not manufactured any automobiles. It will be said we would have thrown a great many men out of employment. Taking the wages involved, had we turned this $35,627,000 into the treasury, we could have permitted all these men to go idle, pay them their full wages, and still have a balance of $19,251,000

Mr. ROBB: Would my hon. friend apply that theory to every industry in Canada? Is that his policy?

Mr. CAMPBELL: We are discussing automobiles now, but in a general way it is true. It is more true of automobiles, though, than of any other industry. Some industries have been struggling all these years and are still not making very much money; I know a good many manufacturers are not. But that is not true of the automobile industry. In fact there is no story in the Arabian Nights, for instance, Aladdin's Lamp, that is more wonderful than the financial history of some of our automobile manufacturers.

After all, I am not so much concerned in having the price of automobiles reduced as I am in having the treasury enriched. I believe that if we cut the duty by 10 per cent, still leaving the home manufacturer with a tariff protection of 25 per cent, and impose an excise tax of 10 per cent, we would make a substantial increase in the revenue without adding anything to the cost of automobiles to the consumer. And I think it is revenue that the minister is after.

Mr. ROBB: Does my hon. friend mean to add an additional 10 per cent to the 10 per cent already imposed on high priced cars?

Mr. CAMPBELL: In a way I would.

Mr. ROBB: That would be 20 per cent?

Mr. CAMPBELL: My suggestion to the minister is that he reduce the tariff from 35 to 25 per cent, and impose an additional excise tax of 10 per cent.

Mr. ROBB: That would be a 20 per cent excise tax? I want to be correct.

Mr. CAMPBELL: Yes, only I would apply it on low priced cars as well. That would not mean any extra cost to the consumer, but it would mean a substantial increase in the revenue, and I think that is a very important point. I am quite sure this can be worked out without any very great hardship to the manufacturer. If you take the history of one particular concern in this country, certainly my suggestion could be applied without inflicting any hardship on them at all.

Mr. SPEAKER: Is the House ready for the question? Any hon. member wishing to speak now will please do so because the mover of the resolution will close the debate.

Mr. SPENCE: Would the minister inform us what is the duty on automobiles now and what is the tax?

Mr. ROBB: On item 438 the customs rates are, 22½ per cent British preference, 30 per cent intermediate, 35 per cent general. In addition, we charge sales tax of 5 per cent on the duty paid value, a luxury tax of 5 per cent on automobiles up to a value of $1200, and a luxury tax of 10 per cent on those in excess of that value. If I understand my hon. friend correctly, he would make the luxury tax 20 per cent instead of 10. I hope I have not done my hon. friend an injustice in putting that interpretation on his proposal.

Mr. CLARK: Do the luxury and sales taxes apply to both the American made and Canadian made automobile?

Mr. ROBB: Oh yes.

Mr. MORIN: When we import American cars do we pay the excise tax of 5 per cent to the United States government?

Mr. ROBB: No, to the Canadian government.

Mr. SPEAKER: Is the House ready for the question?

Mr. W. C. GOOD (Brant): I was waiting, Mr. Speaker, for the minister to answer those questions before I rose, but I will proceed. I would venture to call the attention of the House to some figures that I presented in detail two or three years ago in connection with the earnings of the Ford Company of Canada. It does seem to me that the net result of our tariff policy with respect to the automobile industry has been to put enormous sums of money into the pockets of American millionaires at the expense of the average Canadian user of automobiles. I think this is something that ought to come home to us very seriously, and I do hope, as I urged on the former occasion, that the government will increase the excise tax and decrease the customs duty. This will bring more revenue to the treasury and not increase the price of cars to the consumer at all. In fact, we will probably increase our revenue two or three times while lowering the price of cars to the Canadian consumer.

The Acting Minister of Finance (Mr. Robb) spoke as though the automobile was purely a luxury.

Mr. ROBB: No.

Mr. GOOD: I am glad to hear him correct that impression. At all events, so far as the farmers are concerned, particularly those in the west—and this applies also to many sections of Ontario and the east—the automobile is becoming just as necessary, just as useful as any farm implement; it is primarily a necessity on the farm, not a luxury; I think that ought to be borne in mind. I will admit that in many cases—and this applies more to city residents than to those in the rural districts—the automobile is a luxury and might well be dispensed with. Perhaps it would be interesting to inquire how it is that so many city people who do not need them are able to purchase expensive cars and ride around in them from one end of the country to the other.

Just one other point so far as the giving of employment is concerned. It has already been demonstrated, I think beyond all controversy, that we might well pension off all those who are engaged in the industry and still be money in pocket. Let them be pensioned for life.

Mr. EULER: Do you advise that?

Mr. GOOD: No, I do not advise it, but we are not under the necessity of doing anything of the sort. Just as soon as you relieve the burden upon the consumer of automobiles he has purchasing power, and if these men have to find another occupation he can employ them in farming, for instance. Farming in Canada needs a lot more men than it has now, but the farmers cannot hire men because they have no money. If you make the cost of automobiles less to the farmer he can hire more help and he can farm better than he does at the present time.

Mr. WOODSWORTH: Would that not solve the problem of providing for the widows and children who are worrying the minister so much?

Mr. GOOD: Yes, I am sure it would. There is no need to complain of a lack of useful emplyoment in Canada; it stares us in the face whichever way we turn. It strikes me that the argument with regard to throwing them out of employment is rather far fetched, in the present instance at all events. I trust that this matter will be pressed to a vote; I should like to see hon. members declare themselves either for or against the resolution.

Mr. PIERRE F. CASGRAIN (Charlevoix-Montmorency) (Translation): Mr. Speaker, before closing this debate, I think, perhaps, it would be proper to submit to the House certain reasons which, moreover, have already been given by the hon. acting Minister of Finance (Mr. Robb). The resolution moved by the hon. member for Macleod (Mr. Coote) is perhaps one of those that all classes of the community would like to see adopted for the very reasons submitted this evening to the House by the mover of the resolution himself. Indeed, business and trades people, the most humble classes among our farmers, the rural districts as well as towns and cities, in fact everybody would like to be in a position to purchase automobiles for the convenience of business as well as for pleasure, but on better terms than those existing to-day. On the other hand the hon. Acting Minister of Finance explains to us the government's policy on this subject; he points out that they are busy preparing the budget and that within a few days the budget for the next fiscal year will be laid on the table. Under these circumstances I do not see what harm there could be in postponing this resolution until the budget is brought down. On more than one occasion have we witnessed certain resolutions adopted in too great a haste cause great embarrassments to certain clauses that we wished to favour. I think that everybody agrees in admitting that the resolution has some good points, but should be more carefully studied, as the hon. minister stated, so that we might

carry out reductions, if necessary, without however being exposed to the disadvantage that such an adoption of a resolution might create. That is why I would ask the hon. member for Macleod (Mr. Coote) to kindly postpone the vote on this question until the budget is brought down, when, knowing what it contains, we may be able to act with a thorough knowledge of the matter.

Mr. DONALD SUTHERLAND (South Oxford): Mr. Speaker, I wish to make only a brief reference to the resolution. It must be apparent to everyone that a good deal of favouritism is shown in regard to our tariff and that there is need of having a tariff based on a sounder principle than that upon which the present tariff is based. I notice in the Montreal Gazette to-day that during the past week 29,452 boxes of New Zealand cheese were sold on the Montreal market and that 16,878 cases of American eggs were imported during the same week. Do hon. members realize the difference between the tariff on these commodities and the tariff on automobiles,—9 per cent in one case and 35 per cent in the other? It is quite evident that the tariff on farm products is not in keeping with the tariff on automobiles. I do not agree with the Acting Minister of Finance (Mr. Robb) that automobiles are a luxury. An automobile, particularly on the farm, is just as necessary as almost any other implement used on the farm—and I am speaking in regard to farming that is carried on in an up-to-date manner. In fact, many farmers to-day require not one automobile, but two, and some of them a motor truck in addition in order to overcome handicaps as a result of the scarcity of farm labour. The minister pointed out that the provinces were taxing the automobile owner very severely, and I quite agree with that. But let me remind him that the federal government have discontinued the contribution that was formerly given toward the building of highways, and that the provinces themselves have to build the highways to-day unassisted by a federal grant.

Mr. ROBB: But the advent of the automobile was one of the reasons why a former government enacted the good roads legislation and thereby added considerably to the interest account of this country.

Mr. SUTHERLAND: I quite agree that the automobile has been responsible for the building of expensive highways, which, I may say, are considered to be almost a necessity to-day on account of the high cost of transportation on our railways. A great deal of freight traffic, particularly on short hauls, that was formerly carried by rail is to-day carried by automobile, so that not all the expense in connection with highways is to be charged against the automobile which is used for conveying passengers. I rose simply to call attention to the difference between the tariff rates on imports of these commodities referred to in the statement in the Montreal Gazette to which I have referred. While this has no direct bearing on the resolution before the House, I would point out that there is much need of having our tariff so adjusted that we shall have reasonable protection for all the people of this country, rather than have a few singled out and given a preference, by an unreasonably high tariff while others suffer as a result of an altogether too low tariff.

Mr. COOTE: Mr. Speaker, in closing the debate—

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I do not wish to vote on this without making a statement to the House in relation to the motion. I have been rather disappointed at the display of ardour evidenced by hon. gentlemen to my left on this subject; I have ceased to be disappointed with hon. gentlemen opposite, for they seem to have entirely lost interest in all the questions that agitated them so much not so very long ago. If I remember rightly, in the province of Ontario the lanes and the highways rang with denunciations of this vicious automobile tax. Is it not on this subject that Hon. Mr. Raney gathered the flag of free trade about him and wandered through the province of Ontario, and on platform after platform directed his shafts against the government of the time as the friends of monopolies and trusts. Nothing aroused his ire so much—and in this he was supported by every hon. gentleman to my left whose speeches I read—nothing aroused his ire so much as the automobile tax. But now this question comes up on a motion of the hon. member for Macleod (Mr. Coote), a prayer meeting would be a tumult compared with the vigour that is displayed in this debate. The leader of the Progressive party was allowing the hon. member for Macleod (Mr. Coote) to reply without even expressing an opinion on this question, and hon. gentlemen opposite were silent as the grave, except for one who took care to speak in a language that most of us are unable to follow. Where is the Minister of the Interior? This was a topic that he was one of the most eloquent upon.

Mr. STEWART (Argenteuil): Will the right hon. gentleman quote any of my speeches at that time?

Mr. MEIGHEN: I quoted one a few months ago to the hon. minister, and invited him to make an explanation of it the next day on the orders of the day, but I have waited now several months and have not got it yet; so I do not see very much value in quoting to the Minister of the Interior.

The minister who answers for the government is content to plead the necessities of the revenue. This is the old story from protectionist Liberal governments—they cannot reduce because of the necessities of revenue. Now this government knows that there is many a schedule in the tariff to-day where reduction would add to the revenue, many a one, and I am not sure that this is not one. I do not say I am convinced it is one; but I am not sure it is not. The minister certainly did not show that it was not. The minister knows just as well as he knows he is sitting in his seat, that even though reduction may add to the revenue, it may be the worst thing in the world for the country; and that is what he should have argued before the House. That is the reason he maintains the tax where it is, and the only reason he can justify maintaining it where it is, because to do otherwise would do injury to the business of Canada. Hon. gentlemen take a single industry; they assume that the whole duty is added to the sale price, and that every manufacturer puts in his pocket that extra duty. Then they say: We paid into the manufacturer's pocket so much; we would have been better off to have paid that to the workmen and kept them in their homes idle. This simply shows an inappreciation of the whole situation. One industry depends on another; one industry makes work for another, and the loss of one industry is not the loss of one alone; it is the loss of several. The whole thing reduces the commercial life and industrial life of the country. The minister himself takes care that he reduces no duty beyond the point that will give the industry a chance for its life, and a chance to progress and develop in this Dominion, and I would have welcomed from the minister a defence along the line that he knows to be sound—and not this lame defence behind the shade of the revenue, which he always fears is going to diminish.

Now what has been the case made out by the hon. member for Macleod? He first of all started with a quotation from this speech I made in 1911, which, if it did no other good, has constituted the intellectual nourishment of hon. gentlemen to my left for several years, a speech in which among other arguments I sought to advance for a reduction of the duty on farm implements was this one: that the hold the Canadian manufacturer had obtained not only on his home market but on the foreign market was such as to demonstrate that the tariff at that time was beyond the necessities of that manufacturer. I did state, and stated very plainly that he was entitled, or rather the country was entitled, to such a tariff level on the goods produced by the manufacturer of agricultural implements as would maintain his hold on the Canadian market and enable him still to advance in the markets of other countries in the world; but he was not entitled to any more. But I did not rest with that argument. I went further and produced evidence to show that factory heads in this country had admitted that such had been their success under a comparatively fair tariff in developing the industry here that they were able to produce on a scale comparable with the scale in the United States, and at very little, if any, greater cost. I thought I made a pretty strong case, and I did advance facts in addition to those advanced by the hon. member for Macleod to-day. But as I said last session, and have said frequently in this House, there was, I think, one defect in the presentation I made at that time. I do not think I took into account as of sufficient strength the advantage that export trade gives the Canadian manufacturer in enabling him to increase the scale of his production, and thereby enabling him to diminish the price at home. That is the feature that everyone who is acquainted with and follows Canadian industry or that of any other country for any length of time must be impressed by, and in countries where the protection is the highest, in, for example, France to-day. In countries where the tariff wall around this country would be scarcely visible compared with theirs, you do not find the people arguing that they are paying the cost of keeping up great, rich millionaire manufacturers. As a matter of fact, just because of that tariff, they to-day are able to sell and are selling within the borders of France their products at prices lower than are enjoyed by the consumers of other countries of the world, even lower than the prices that are enjoyed by Great Britain at this very time.

10 p.m.

Now I am not certain—I certainly am not convinced by anything advanced by the Acting Minister of Finance—that it would not be possible to lower the tariff on automobiles and at the same time maintain the industry. He advanced no argument on the subject at all. At the same time, I am not convinced by the argument presented by the hon. member for Macleod. I am aware that there is much criticism of the difference in price to the Can-

adian consumer from that which obtains to the American consumer. It is largely due to the fact that we have this 10 per cent luxury tax. That luxury tax is always looked upon by the consumer as a tariff; it is looked upon as part of the protective structure, and the protective tariff gets the blame that is attributable in a considerable degree to the luxury tax.

Mr. SALES: Was there not the same difference between the American and Canadian prices on automobiles before the luxury tax came into effect?

Mr. MEIGHEN: If there was, then without the luxury tax the difference is a great deal less now, showing that as the industry develops, the margin between the American purchase price and our own is constantly reducing. I went into this matter with a large Canadian concern some few years ago and their books demonstrated, so far as I was able to examine them—I am not an accountant—the correctness of their assertions that because of the scale of production they were now able to maintain due largely to their export trade, they themselves had reduced the price to their factories until it was within ten per cent of the price to the American factory just across the river. This is not a very great margin, but when you add to that the ten per cent luxury tax, you have twenty per cent, and when you add to those two, some larger costs of distribution in this Dominion, where the population is more sparse and the cost of distribution greater, there should be quite a margin between the price to the consumer in the United States and the price in Canada. The sales tax adds to that margin because the American has no sales tax to pay, so that even though the cost to the manufacturer here was only ten per cent above the American cost, the cost to the consumer would be twenty-five per cent above, plus the extra cost of distribution; so that in respect to automobiles the protective tariff is charged with much that it is not responsible for. The protective tariff may be responsible to a degree for the difference that at present exists. I would not like to see any step taken which would shatter still more confidence in this country. We all know it has been shattered enough. It has been shattered so much that to-day, while this government remains in power, there is no hope of business expansion in this Dominion. There is none to-day and there is no hope for any for years to come, because the conduct of this administration has undermined and destroyed confidence in Canada, and if the government accede to this demand and invade still another field, then the condition will be even worse than before. No case has been made out by the hon. gentleman and no case has been made out by the minister in reply. Let us hear from the Minister of Justice.

Mr. LAPOINTE: There is nothing to answer in my hon. friend's remarks.

Mr. MEIGHEN: Nothing he can answer? Is that what the minister said?

Mr. LAPOINTE: The people will answer.

Mr. MEIGHEN: The hon. gentleman tried to answer in the last parliament. I am glad he desists now.

Mr. LAPOINTE: My hon. friend may receive some answer some day.

Mr. COOTE: I am sorry my arguments were not sufficient to convince the right hon. the leader of the opposition (Mr. Meighen) that this reduction might safely be made with advantage to this country. I understood him to say that he had been told that the factory price of cars in Canada was only ten per cent higher than the factory price of cars in the United States. I do not know whether I heard him correctly or not, but he said something to that effect. I am sorry that I have sent my list of prices of these cars to the Hansard room.

Mr. MEIGHEN: I stated, in a certain factory.

Mr. COOTE: I have before me a list which was furnished by a reliable clipping agency in Canada, and this shows the factory prices. He says in a foot note:

The above prices are f.o.b. factory, United States or Canada, exclusive of taxes.

These prices are as follows:

	United States	Canada
Chevrolet, coach	$ 735	$1,015 or 38% higher
Oakland, coach	1,215	1,695 or 39% higher
McLaughlin-Buick, coach..	1,295	1,820 or 41% higher
Oldsmobile, coach.. ..	1,075	1,495 or 39% higher
Hudson, coach..	1,345	1,840 or 37% higher

I could give many more. I have gone over a great many makes of cars, comparing the prices, and have found nothing under 37 per cent. The prices to the people in this country after the taxes are paid are in nearly every case over fifty per cent higher than in the United States. I may also say, Mr. Speaker, that the tariff on cars entering the United States is, I am told, twenty-five per cent, and it is rather strange, if a high tariff really creates low prices that we, with a tariff ten per cent higher than the United

States, should pay at the factory thirty-seven per cent more for our cars than they do in the United States. I cannot understand that. The right hon. leader of the opposition said that prices were lower in France than almost any other country. Possibly that is correct, but if they are it is owing to the fact that France is working on a depreciated currency, the thing that the manufacturers and big business men and bankers in this country are so desperately afraid of, but it enables France to manufacture cheaply.

I do not wish to take time to refer to all the arguments advanced by the right hon. leader of the opposition or by the Acting Minister of Finance, but there are a few I think I should refer to very briefly. I think the first argument was that there were discrepancies in the figures which I quoted in regard to the percentage of capital in this industry which was owned in the United States: that last year I quoted it at 77.8 per cent and this year at 80 per cent. I will admit there is a discrepancy there of 2.3 per cent. I did not have the actual figures in regard to this matter. I may say it is a matter that has not been very definitely settled, but I was told a short time ago by a gentleman who has given a little study to this question that he thought it was about 80 per cent, that the establishment of American branch factories in Canada was going on all the time, and that most of the companies that were establishing branch factories over here now owned practically all the stock in their Canadian branches, but at any rate I do not think the discrepancy is big enough to make very much difference to that argument.

Now, Mr. Speaker, I want to refer very briefly to the question of motor trucks, which I think possibly I did not deal with at any great length before. I think this is a very important matter not only to farmers but to our manufacturers. They are nearly all employing motor trucks, and you can see at the present time that this duty of thirty-five per cent on motor trucks, which really amounts to thirty-seven per cent, is placing those who must buy motor trucks under a handicap, is imposing a great hardship and is very unfair to the farmers who are a long distance from railroads, and who need those motor trucks badly. I have no particuliar wish to see the duty on the high priced cars reduced. I do not think that matters very much, but I think it must be reduced on the cheaper cars. The people are demanding it, and I believe they will adopt some method of achieving that result before very long. The Acting Minister of Finance (Mr. Robb) I think made the statement that he never owned an auto,—that he could not afford one. I would suggest that if he would reduce the duty on automobiles, he might be able to purchase one himself.

Mr. ROBB: I have no time to drive one.

Mr. COOTE: If the Acting Minister of Finance, with a salary of $14,000 per year, feels he cannot afford a car, I would like him to consider the position of the poor farmer living fifteen or twenty miles from town. How is he going to get a car? While I am on that subject I want to refer to a very good settler in my district, a splendid type of settler, who came from Sweden—who said to me a year ago, "When I cannot afford an auto, I am going to leave the farm. I do not think I and my family should be away out here on this farm without an automobile, and I am going to leave it if I cannot make enough to keep a car." It would be good business for those people who are trying to get settlers on the land to do what I suggest if they really want them to stay on the land. The Acting Minister of Finance referred to the large tax the provinces collected out of these cars. That is only an added argument in favour of the motion which I have presented. Is the automobile to be singled out as paying the greatest tax of any industry in this country? I do not see why it should. He stated that there was a time when there were no automobiles at all. I thought he was inferring that probably those who have not automobiles ought to do without them. There was a time in this country when we did not have any railroads. Does the minister suggest that we should do all our transportation with horses again? There was a time when the farmer had no binder, no mower. Does the minister suggest that we should go back to the cradle and scythe again? He referred to the large amount of taxes which manufacturers of automobiles pay. I find in Hansard of last year, March 17, at page 379, these remarks by the hon. member for Springfield (Mr. Hoey), who mentions the amount of taxes some of these men pay:

> During the years 1915 to 1918 inclusive a certain factory in this country produced 113,542 automobiles, and the excess price charged to Canadian purchasers over the prevailing price in the United States was $13,394,941. The wages paid by that concern during that period on the cars actually made and sold in Canada amounted to $9,083,360, and their total wage $11,960,807. That is their total wage bill on cars made for sale in Canada and for export. They paid in taxes during that period $2,285,145, leaving a surplus of $2,027,436. What do these figures mean? They mean that during this period the people of Canada would have paid all the wages this firm

paid, all the taxes this firm paid, and had a surplus in the national treasury of $2,027,436, or a sum sufficient in itself to pay more than half the duty paid by this firm on their raw material entering into the manufacture of this article.

I regret that the Acting Minister of Finance did not give a little more consideration to my proposal for increasing the excise tax so as to make up any loss of revenue that would occur through the reduction in the tariff. He simply said that it was worth considering, and I suppose he thinks we should be satisfied with that. I hope he will consider it.

I am disappointed at the attitude taken by the Acting Minister of Finance, and if this government will not reduce the duty on automobiles and trucks, particularly trucks and lower priced cars, it should give up all pretence of making any reduction in the tariff. As regards the actual reduction, the motion, as worded, leaves it to the interpretation of the government, if the resolution should be fortunate enough to be passed by this House. I do not think it would be my place to say what amount should be taken off the present duty, but something very substantial should be taken off in regard to lower priced cars and trucks. Personally, I do not care whether anything is taken off the higher priced cars or not. When I come to eastern Canada and visit the cities, Ottawa included, I am always struck by the large number of handsome, high priced cars that are driven around the streets. The government would save some money on their own high priced cars if they would reduce the duty. When I see the number of old, dilapidated, practically worn-out cars that are in use in some of the rural sections of Canada, I cannot help feeling that there is something very wrong in this country. People out in the country doing at least their fair share of the work are not getting a fair return. It may be hard to convince hon. members who spend most of the time in these cities that there is any necessity for reducing these duties, but if they will visit the rural sections and see the cars that some people are using and the number of people who are not able to purchase cars at all, they would be ready to give their approval to this resolution.

As a final word, I would say that I hope the majority of the members to-night will give their support to this resolution, because it is something that the people of Canada generally would appreciate and they would back up those members who would support such a resolution.

Mr. ROBB: Does my hon. friend advocate adding the same excise tax as he would take off the customs tariff? Is he of the same view as the hon. member for Mackenzie (Mr. Campbell) who advocated taking off 10 per cent and adding 10 per cent?

Mr. COOTE: I did not advocate such action, because the excise tax should be added to all cars, both imported and manufactured at home, and a much smaller addition to the excise tax than the amount taken off the tariff would bring in as much revenue to the country as is now being received.

The House divided on the motion (Mr. Coote) which was negatived on the following division:

YEAS

Messrs:

Bancroft,
Baxter,
Beaubien,
Bird,
Black (Huron),
Brethen,
Brown,
Caldwell,
Campbell,
Carroll,
Coote,
Crerar,
Davies,
Doucet,
Drummond,
Elliott (Waterloo),
Evans,
Fansher,
Forke,
Gardiner,
Garland (Bow River),
Good,
Gould,
Halbert,
Hanson,
Hodgins,
Hoey,
Hopkins,
Humphrey,
Jelliff,
Johnston,
Jones,
Kellner,
Kennedy (Edmonton),
Kennedy (Glengarry & Stormont),
Kennedy (Port Arthur & Kenora),
King (Huron),
Knox,
Lovie,
Lucas,
McBride,
McConica,
McTaggart,
Martell,
Millar,
Milne,
Morrison,
Neill,
Pritchard,
Reid,
Ross (Kingston),
Ross (Simcoe),
Sales,
Sexsmith,
Shaw,
Sinclair (Oxford),
Speakman,
Spencer,
Steedsman,
Stewart (Humboldt),
Sutherland,
Thurston,
Wallace,
Ward,
Warner,
Woods,
Woodsworth.—67.

NAYS

Messrs:

Baldwin,
Béland,
Benoit,
Binette,
Bouchard,
Boucher,
Bowen,
Cahill,
Cardin,
Carruthers,
Casgrain,
Charters,
Chevrier,
Chisholm,
Church,
Clark,
Copp,
Delisle,
Denis (St. Denis),
Desaulniers,
Descoteaux,
Deslauriers,
Desrochers,
Dickie.

Drayton (Sir Henry),	Mewburn,
Euler,	Michaud,
Fafard,	Motherwell,
Fiset (Sir Eugene),	Munro,
Fontaine,	Murdock,
Forrester,	Ouimet,
Fortier,	Papineau,
Garland (Carleton),	Pelletier,
Gendron,	Preston,
Gordon,	Rankin,
Hanna,	Raymond,
Hubbs,	Rhéaume,
Hughes,	Robb,
Hunt,	Robichaud,
Kay,	Robitaille,
King (Kootenay),	Ryckman,
Lanctôt,	Savard,
Lapierre,	Séguin,
Lapointe,	Senn,
Logan,	Simpson,
MacLaren,	Sinclair (Queens, P.E.I.),
MacLean (Prince, P.E.I.),	Snowball,
Maclean (York),	Spence,
McIsaac,	Stewart (Argenteuil),
McKay,	Stewart (Hamilton),
McKillop,	Stewart (Leeds),
McMurray,	Stirling,
Marcile (Bagot),	Stork,
Marler,	Thompson,
Meighen,	Tobin,
Mercier,	Tolmie.—86.

Mr. MARTELL: During the polling of the vote, Mr. Speaker, through a misunderstanding due to no fault of my own, my vote was not taken. If the vote had been properly polled, as I contend it was not, I would have registered in favour of the motion of the hon. member for Macleod (Mr. Coote), because I am in favour of his resolution. But while the vote was being taken hon. members did not know what they were voting for.

Some hon. MEMBERS: Order.

Mr. MARTELL: I simply want to explain my own position as representative of the county of Hants and to state that I support the hon. gentleman's resolution.

Mr. CARROLL: My vote was not recorded. I understood that after the Clerk Assistant had taken the vote on the other side of the House it was expected that he would turn to this side of the chamber and call the names of those over here who supported the motion. I rose in my place to vote for the motion but my vote was not registered.

Mr. LOVETT: I was paired with the hon. member for Charlotte (Mr. Grimmer). Had I voted I would have voted for the motion.

NATIONAL COAL POLICY

Mr. T. L. CHURCH (North Toronto) moved:

That, in the opinion of this House, the time has arrived for Canada to have a national policy in relation to its coal supply and that no part of Canada should be left dependent upon the United States for such supply.

The government should immediately consider the initiation of an all British and Canadian coal supply and that such a policy is both a social and economic necessity and in the best interests of the future of Canada.

That a duty should be placed on coal from the United States to ensure an all British supply for Canada and thus afford adequate protection to coal mined and coked under the British flag.

That, whereas coal is in effect a food, it should be carried on a preferential toll basis by the railways on the same basis as food.

He said: I do not propose to make any lengthy speech to-night on this subject inasmuch as my views are already recorded in Hansard. For three sessions now I have brought this matter to the attention of parliament and I have already given at some length my reasons for the proposal I make in this resolution. Since last session some $200,000 has been voted as a bonus for the carrying of coal from Alberta and the Maritime provinces to central Canada, but we have not had any particulars as to how that money was spent. I understand that it was devoted altogether to the carrying of coal from the Maritimes to the province of Quebec. The resolution, as will be observed, also relates to an embargo on coal. It is my opinion that a duty should be imposed on coal coming from the United States in order to ensure an all British supply for Canada. We want to develop our own resources, and I think it is necessary that we should have some adequate protection so that all the coal Canada uses will be mined and coked under the British flag. Recently some supporters of the government in the Maritime provinces, notably Premier Armstrong, have been inviting the government to impose a duty on coal in order to stimulate the industry in that part of the country. Some five million tons of coal are used in the province of Quebec annually and of this only two millions come from the Maritime provinces, the other three millions from the United States. As I said a moment ago, I do not intend to discuss the subject of this resolution at any length seeing that the principle of it was adopted last session by a unanimous vote of the House, that is to say, as regards the desirability of having a national policy in relation to the mining of coal in Canada. The reasons I gave for a national coal policy for Canada are the same to-night as those that I have advanced during the past three years in parliament, and are so well understood by the House, that I will not labour the matter further. I will simply content myself to-night with moving the resolution for a na-

tional policy for Canada so that every ton of coal used in Canada shall be mined and coked under the British flag whether it is from Wales, Alberta or the Maritime provinces thus keeping labour and wages in Canada.

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior): The resolution which the hon. gentleman has moved, except in regard to the question of the imposition of the duty, was adopted by the House last session, and with that single exception the government will offer no objection to the motion. The question of an increase of duty is however a departure from the principle that was voted upon last session, and I may say frankly that the government do not feel that they can agree to the levying of a greater duty. It is quite true that Premier Armstrong and a number of the coal operators and other interested parties came from Nova Scotia to interview the government during the recess. They asked for an increase in the duty on slack coal from fourteen to fifty-three cents, and that is the only request they made with respect to the imposition of a duty.

It strikes me as being too late in the evening to discuss this coal proposition thoroughly. It is a matter that I have given a great deal of attention to during the past two years. Last session the House voted a subvention of $200,000 to assist in the transportation of coal. Owing to the strike in Alberta last year no arrangement was made for the transportation of coal during the season when it could be economically hauled by the railways. Later in the year when in western Canada I had an interview with Premier Greenfield at which Sir Henry Thornton and Mr. Stutchbury, the fuel commissioner for Alberta, were present. It was then decided that although the mines were again under way and producing coal, it was getting too close to the season when the wheat movement would begin for the railways to embark on the experiment to establish the freight rate on coal from Alberta to Ontario. Alberta coal has been used in all parts of Ontario to the entire satisfaction of everyone. The question is one of freight rates and freight rates alone. Let me say for the information of my hon. friend from North Toronto (Mr. Church) and other hon. members that we have agreed to have the experiment carried on this spring. I suggested there should be an arrangement that the coal should be mined and placed on board car at $3.50 a ton, that the railways should be handed the coal in trainload lots to be carried to common distributing points in Ontario, and that every facility should be given to try to establish a lower rate than that prevailing. Sir Henry Thornton intimated at the interview that the lowest rate at which the railways could transport that coal was $9 a ton. I see by press despatches that came through no later than yesterday—I have not received the information in any other way—that negotiations between the Alberta government and the railway are proceeding and that they propose establishing a rate of $7 a ton for the trial shipment of 50,000 tons. That shipment, as I say will be made next spring. It is estimated that if a rate of $6 a ton could be granted, and if the mining and loading on car could be done at $3.50 per ton, it would make it possible to bring Alberta coal into Ontario and meet the competition of American anthracite.

In the investigations carried on by the Dominion Fuel Board we have been devoting our attention to see if it is not possible to supplant anthracite coal coming from the United States into the provinces of Ontario and Quebec. Naturally fuel coming from Alberta will be largely, if not altogether, lignite suitable for domestic purposes, and we hope it will supplant the American anthracite supplied to those provinces.

The coal fields of Nova Scotia have been having rather a difficult time. This year we offered them a subvention to assist them in getting their coal to points further west to the extent of 50 cents a ton as the maximum on any shipment. I am sorry I did not know this resolution was coming up to-night or I would have had full details for my hon. friend; I will be prepared to lay them on the table of the House before very many days showing exactly what has happened. Briefly, Mr. Speaker, it is estimated that we have extended the market for Nova Scotia coal 100 miles westward by the assistance given to the coal movement.

Sir HENRY DRAYTON: To what points?

Mr. STEWART (Argenteuil): As far west as Cornwall, and in a line directly north of Cornwall.

Sir HENRY DRAYTON: What does the minister say to the position taken by the Nova Scotia government and by the Nova Scotia Coal Company, that it is impossible to sell Nova Scotia coal in quantity to-day even in Montreal owing to their inability to meet the American price? It was for that reason a duty was so strongly urged.

Mr. STEWART (Argenteuil): I do think even with high production costs in Nova Scotia to-day they can meet the American

competition because they have the advantage of a very low water rate to Quebec and other St. Lawrence river points.

Mr. MACLEAN (York): Does the minister expect that the Americans will keep up their present price on anthracite? I say they will reduce it.

Mr. STEWART (Argenteuil): I am coming to that, Mr. Speaker.

Sir HENRY DRAYTON: Before my hon. friend leaves that point, perhaps he will be kind enough to give the House information as to the price at which Nova Scotia coal can be laid down in Montreal compared with the American price?

Mr. STEWART (Argenteuil): I have not the exact figures before me, but it is somewhere in the neighbourhood of $6 a ton. It would be absolutely impossible for the Nova Scotia mines to meet the American competition in Montreal but for the approximately 70 cent rate that prevails on ships coming up the St. Lawrence.

Sir HENRY DRAYTON: The information I have is that the National and Canadian Pacific Railways have bought American coal in Montreal at $5.10 and $5.25 against $6 quoted for Nova Scotia coal.

Mr. STEWART (Argenteuil): If they have bought it for $5.10 it is very recently. Of course, the price of American coal has dropped 25 cents a ton.

Sir HENRY DRAYTON: Say $5.25?

Mr. STEWART (Argenteuil): When investigation was made the price of coal in Montreal and Toronto was about $6 a ton; they were both about on a parity. But that only comes about owing to the facilities provided for water shipment. With reference to the question by my hon. friend from South York (Mr. Maclean), we do hope to supplant all the anthracite coal coming from the United States by providing a cheaper product. That is another experiment we have been carrying on. I may say that I hope to continue the subvention to assist in the transportation of coal this year, and I also hope to bring down legislation for the assistance of the manufacture of coke, to which we have been devoting a very great deal of attention recently. My hon. friend is probably aware that in the city of Hamilton there is a splendid by-product coal manufacturing plant that is giving excellent service and producing a fuel from bituminous and low grade coals which is superior to the anthracite and which can be produced at from $2.50 to $3 per ton less. So we hope to convert a product that is plentiful, in which there is not liable to be a famine. The anthracite field of the United States is becoming somewhat depleted and in all probability in the very near future we will be faced by an embargo on their anthracite coming into Canada. So we have been working along the line of the conversion of bituminous fuel into high grade coke for domestic purposes. There is always some difficulty; these small tests are not always successful from the commercial point of view. But the transference of bituminous coal into coke is no longer an experiment; its success has been amply demonstrated and the resulting fuel has proved its superiority over anthracite. We know now that this is the solution of the problem of supplanting the present anthracite fuel supply throughout Ontario and Quebec.

Mr. MACLEAN (York): The coking will have to be done here in the central provinces?

Mr. STEWART (Argenteuil): Yes. If we can transfer Nova Scotia fuel into high grade coke say in Quebec—at Montreal, perhaps, where there is a market for the by-products—we can use a million and a half tons of that coal to take the place of anthracite coal at present coming from the south to this part of the country. That is what we hope to do. I intend to bring down legislation at a later day, of which I will give due notice, and we can then discuss the matter more fully.

Mr. BROWN: The amount of coke that could be profitably produced would necessarily depend upon the extent of the market for the by-products?

Mr. STEWART (Argenteuil): Perhaps my hon. friend is aware that at present the Ontario Hydro-Electric people are seriously considering the establishment of a large steam plant to supplement their hydro operation in Toronto and vicinity. We are carrying on negotiations with the engineers for the purpose of determining whether it is possible for them to establish coke ovens in conjunction with their steam plants, using gas for fuel under the boilers and turning out this fuel to take the place of anthracite. The suggestion may not be realized, but having regard to the figures we have placed before them and the data we have been able to give them, the engineers are very much interested in the possibilities in that direction. The larger cities throughout the eastern provinces—Ottawa, Montreal, Quebec and so on—would consume all the by-products resulting from the coking of a million and a half

tons of Nova Scotia coal which now has difficulty in finding a market, and we would then be put beyond the necessity of looking to the American market for anthracite fuel. So much for the eastern area; and if we can make a success of the transporting of Alberta coal into the northern and western portions of Ontario, then we can cover the whole field so far as domestic fuel is concerned.

Mr. WARNER: In connection with the minister's remarks regarding Alberta coal, did I understand him to say that 50,000 tons of coal were to be shipped?

Mr. STEWART (Argenteuil): Yes; a sufficiently large amount to establish definitely at what rate the coal can be transported in trainload lots—full trains of coal from the point of shipment to central points in Ontario.

Mr. KELLNER: Has the minister had any requests from Alberta for assistance under that vote of last year?

Mr. STEWART (Argenteuil): No. As I have pointed out, the whole matter was held up in Alberta last summer when the shipment could have been undertaken, owing to the strike. When the strike was over it was thought to be too late in the season to attempt the shipment, on account of the probability of interfering with wheat shipments from the western provinces. The idea is to have the shipment made in May or June when there is plenty of rolling stock available and when the larger cars may be had for the purpose, thus making possible a real test of the actual cost of the transportation of this fuel.

11 p.m.

I am quite willing to accept my hon. friend's resolution, with the exception of the statement with regard to increased duty. If he will withdraw that portion of the resolution the government will be quite prepared to accept the remainder of it.

Mr. GARLAND (Bow River): May I ask the minister, before he concludes, in what form the necessary vote will be provided this year?

Mr. STEWART (Argenteuil): It will be in the supplementary estimates—that is, the subvention vote.

Mr. GARLAND (Bow River): As a revote?

Mr. STEWART (Argenteuil): Oh, yes.

Mr. W. F. CARROLL (Cape Breton South and Richmond): I was not aware, Mr. Speaker, that the resolution standing in the name of the hon. member for North Toronto (Mr. Church) would be taken up this evening, and I am not prepared to discuss the question in detail as I should like to do. There are, however, a few observations which I desire to make with respect to the resolution so far as it pertains to the question of duty on coal. The hon. member for Vancouver South (Mr. Ladner), I think it was, during the course of a discussion in the House on another subject, asked me where I stood on the question of coal duties. I am always prepared, Mr. Speaker, to say where I stand on any question when the proper time comes, and to-night I am going to express my views, for what they are worth, with regard to the question of duty as it affects slack coal in the province of Nova Scotia. I shall also have something to say as regards the duty on coal as it would affect the western provinces if the duty on slack coal was made as I think it should be.

Let me outline briefly the history of the duty on coal. In 1879 a duty of 50 cents a ton was imposed on all coal imported into this country, whether anthracite, bituminous or coal dust. A year or so later, about 1880, this duty was increased to 60 cents a ton on all kinds of coal imported. In 1894 further changes were made in the tariff: the duty on bituminous coal was left at 60 cents a ton; the duty on coal dust—which meant, I presume, what we now call slack coal—was placed at 20 per cent ad valorem, and anthracite was put on the free list. There was, of course, a reason why anthracite was put on the free list. We do not mine anthracite coal in Canada. So far as our geologists have been able to establish up to the present time we have not anywhere in Canada anthracite coal of the quality of that which we import from the United States. It therefore became a dire necessity in Ontario and the western parts of Quebec—in fact, everywhere in Canada, but particularly those sections—to get the best fuel at the lowest possible rate, and I presume that is why in 1894, the government of the day saw fit to remove the duty on anthracite coal. The duty has remained off anthracite coal from that time to this.

In 1906 there was another change in the duty on coal. Slack coal was given a duty of 14 cents a ton. This was coal that would go through a screen with a half inch mesh—the requirement had previously been three-quarters of an inch, I believe. Run of mine and screened bituminous coal was left at 53 cents a ton. In those days slack coal was scarcely marketable in this country, and I am going to point out an anomaly that grew up. Slack

coal in those days carried an ad valorem duty of 20 per cent and the slack coal that came in here was so cheap that the government of the day finally set a recognized value of 65 cents a ton on all slack coal imported. So it was a very cheap commodity in those days, because it was not used for any particular purpose. That ad valorem duty of 20 per cent on 65 cents made the duty 13 cents per ton, and in 1906-1907 the duty was made 14 cents a ton. I want to point out that the duty on run of mine coal or screened bituminous coal, and the duty on slack coal, presents to-day an anomalous situation which cannot be understood in this country. Slack coal to-day is practically as valuable as run of mine coal, for the reason that the manufacturers in central Canada have so developed their plants that they can use slack coal better than run of mine or screened bituminous coal. As a matter of fact, many of them break up their run of mine or screened coal into very fine dust, which they use in their furnaces.

Another point is this: It is said on the very best authority that large coal barges come from the United States across the Great Lakes to Montreal, and these boats are divided into two compartments. One compartment contains say 2,000 tons of slack coal, which comes into this country at a duty of 14 cents a ton, and the other compartment contains run of mine or screened bituminous coal, which carries a duty of 53 cents a ton. That coal is taken to the dock at Montreal—and I am speaking of Montreal because it is the largest consumer of this sort of coal—and the duty is paid, and then the slack coal and the screened coal is mixed and sold in Montreal as run of mine coal. It could not all come in as run of mine coal or it would have to pay a duty of 53 cents a ton; but by mixing it they pay only 14 cents on half the cargo and 53 cents on the other half, and then the whole cargo is mixed and sold as run of mine coal in Montreal. I say that is a fraud on the customs of this country; but it is being done. The only way to stop it is to level up the duty on slack coal from 14 cents to 53 cents. I am not going into a lengthy argument, but I stand for that because I think it is fair, and because I think it will bring the duty on coal up to a point where we will be able to get a bigger market in Montreal for our slack coal. Slack coal constitutes, I am told in some cases as high as 55 per cent of the output of certain of our mines in Nova Scotia; in many of the mines with which I am more familiar I know it constitutes at least 40 per cent of their output.

[Mr. Carroll.]

I agree with those who say that we should give to the people of this country fuel at the very lowest possible cost. I agree with those who say we should not raise the duty on coal to such a point that the people in central Canada might be, so to speak, crucified in the matter of heating their homes, or the manufacturers of this country, who are entitled to a fair deal, charged too much. But I say that if the government imposed this duty they would be doing nobody any harm. The bogey of British Columbia and of Alberta is set up, and I will tell you why. In British Columbia they have a market for considerable of their slack coal in the United States. Their coal goes into the United States at 14 cents a ton for slack coal, and run of mine at 53 cents a ton, exactly the same duty as coal carries entering this country. Now if we raise the duty on slack coal to 53 cents, which is where the duty on bituminous coal stands to-day, the American duty would go up to the same point, and our British Columbia friends argue that their export trade to the United States would be injured. But may I point out that British Columbia is in an entirely different position in this respect from Nova Scotia, and also Alberta. If you will look at the map, you will see that Washington and Idaho are the states adjoining British Columbia, and in neither Washington nor Idaho is there any quantity of slack coal, scarcely any in fact; and if the Americans over there are taking slack coal to-day from British Columbia, a duty of 53 cents a ton would not prevent British Columbia coal from entering those two states, because from its geographical position British Columbia would continue to enjoy the identical market it has to-day.

Mr. MacLEAN (Prince): Are there any large importations of coal there?

Mr. CARROLL: There is very little slack coal imported, but they use some in their factories.

Mr. GARLAND (Bow River): Is it not true that if Canada imposes a tariff duty on slack coal, then under the reciprocal agreement the United States will impose a corresponding duty on our coal entering that country, and would not that react against our coal entering the Washington market?

Mr. CARROLL: I said that was the argument, but perhaps not as well as my hon. friend has said it. I said that the moment we place a duty of 53 cents a ton on slack coal entering this country, a similar duty will be placed on our exportations of slack coal to the United States; but I also said that from

the geographical position of British Columbia in relation to the states of Washington and Idaho, British Columbia is not going to lose any market they have to-day for their coal by reason of that additional duty being levied. Alberta is in perhaps a little different position. I do not know what percentage of the coal of Alberta is slack coal, but I do know that some of the states adjoining Alberta are in the very same geographical position relative to Alberta as are Washington and Idaho with relation to British Columbia, and if we should level up the duty on slack coal entering this country to where it should be, and where it was at one time, and do away with this anomalous situation that exists to-day, I do not think it would hinder one ton of Alberta coal going to the states adjoining.

A year or two ago, in 1923 I think it was, representatives of the miners of Alberta came to this government and took up the question of lignite. I am not speaking by the book, but I think Alberta is the only province that has any amount of lignite coal, and they have a chance of getting a market for that in the United States. We do not import any lignite from the United States that I know of; if we import any, it is only a very small quantity. Those of us interested in coal made no kick when Alberta asked for the removal of the duty on lignite, in order that the reciprocal agreement which the hon. member for Bow River (Mr. Garland) has mentioned might apply and the lignite of Alberta enter the United States free, it is done to-day, and as far as lignite is concerned, I believe it did the industry of Alberta some considerable good.

Speaking about Alberta, I said a moment ago that I was sorry my hon. friend brought up this resolution so late at night. I sent up for my papers but have not got them yet. I have a copy of a resolution passed by the Edmonton Board of Trade in December to the effect that they stood for the levelling up of the duty on slack coal to where the duty on ordinary run of mine and screened bituminous coal stood. I observe one of two of my hon. friends from the west smilling. I do not know the complexion of the Edmonton Board of Trade, but it seems to me that the boards of trade in the west probably are composed of business men, as boards of trade in central and eastern Canada are, and I would think that before the Edmonton Board of Trade would seriously propose and pass a resolution of this kind, they would consider what the effect of it would be on the slack coal industry of Alberta. I am taking for granted that, having passed that resolution, agreeing that it was an anomalous position for this country to occupy in regard to its coal trade, that they must have given very serious consideration to the question of how the levelling up of the duty on slack coal would affect the slack coal industry in Alberta; and I am concluding that, after having given it that consideration, they must have come to the conclusion that it would not affect that industry to the disadvantage of the miners or operators of the province of Alberta.

I say that it is an anomalous position for the government of this country to occupy. It is going to help our coal industry in Nova Scotia and it is not going to affect disastrously the coal industry in either British Columbia or in Alberta, which are the other two great sources of supply. I point out this fact, that in the past year we did not come within 1,350,000 tons of the quantity of coal used on the Montreal market, as compared with the quantity used in 1923. We were about 1,400,000 tons short on the Montreal market, and I believe had we mined that 1,400,000 tons and placed it on the Montreal market, there would not be the distress which exists in certain areas of Nova Scotia and especially in Cape Breton. It is reckoned by those who are in the trade that they could market one million tons of slack coal in the district of Montreal. They could land it there for distribution if the duty on slack coal were levelled up to where it should be. I could give the House innumerable figures in this regard. I am simply placing myself where I think every Nova Scotian should be placed, I say that they should stand for the levelling up of the duty on slack coal from fourteen to fifty-three cents per ton.

Mr. MacLEAN (Prince): What about reducing the other?

Mr. CARROLL: If we are going to have any duties in this country I believe in having them uniform. We buy practically every suit of clothes, almost all our shoes, all our manufactured goods in Canada from manufacturers who are protected in the market to the extent of twenty-five to thirty-five per cent ad valorem duty, and we in Nova Scotia who have to buy those goods bearing that duty are in the position of getting between a five and ten per cent ad valorem duty on coal. If my hon. friend wishes to suggest that we in Nova Scotia should occupy that position relatively to the people of the central provinces, then I say to him that he is not a good Maritime man. The farmers of the country have thirty per cent on their goods. My western friends say they do not want it. I say nothing about that. They know more about it than I do.

I am talking of a matter which I know something about.

With reference to the subvention granted last year in the matter of rates on coal to points west of Riviere du Loup, I want to point out what a very small thing is capable of accomplishing. This subvention was voted about the 15th or 16th of July, and did not become effective till the latter part of July. This government voted $200,000 and gave a subvention of one fifth of one cent per ton per mile for every ton of coal which came west of Riviere du Loup. What was the result of that? It was a very small thing, but it enabled the coal operators of Nova Scotia to market in that short period, from the latter part of July to the close of navigation, one hundred thousand tons of coal in the market west of Montreal which market up to that time they were never able to reach. That was what the subvention meant to us. We are thankful to the government for what they did last year. It will mean a great deal more this year because the operators can take advantage of that one-fifth of one cent per mile from the very opening of navigation to the close, and if we go by comparisons, it would not surprise me if this enabled them to reach, perhaps, with two hundred thousand tons of coal this year, markets which they were unable to reach some years ago.

I am in perfect harmony also with the project to establish coking plants. I am proud of the fact that I raised this very question in the House in the session of 1922. I gave it as my opinion then that the only way to combat in this country the high price of anthracite coal was for this government, or any other government that might be in power, to have some great national policy on the question of coking; so that the people of Ontario and Quebec and the other provinces that are forced to use anthracite coal might be given something as good as anthracite at two or three dollars a ton cheaper. I was glad to hear the Minister of Mines (Mr. Stewart, Argenteuil) say to-night that that was the policy of the government, and I am proud to be in a position to say that it was I who brought this to the attention of the government in the session of 1922. I believe it will work marvels in connection with the coal trade, in giving the people of this country a cheaper fuel as good as anthracite. It will work marvels in doing the very thing which my hon. friend from North Toronto (Mr. Church) had in view every time he moved this resolution in the last two or three years for a national policy on the question of a supply of coal for Canada. The trouble with the proposition, Mr. Speaker, is that, as with all other innovations, it will probably take some considerable time to work out, and to get men sufficiently interested to place their money in it. But I am given to understand by some financial men who to-day have nothing to do with coal operations that, if a proper bill is brought down this session in connection with coking plants, it will work marvels in giving the miners of Nova Scotia and, I am in hopes, the miners of Alberta, when they have proper freight rates, a chance of getting clear of their surplus of slack coal which, at the present time, they are unable to market in the large centres of Canada. This may take two or three years, and in the meantime we are at the mercy of United States operators.

While I am a low tariff man, while I voted to-night for the reduction especially on trucks, as I did not swallow the whole of my hon. friend's resolution and while I believe motor trucks which come into this country for business purposes should come in at a reduced rate of duty in order that business men, farmers and others who require trucks in their actual business may get them a little cheaper, I do not think this is the time that we should have lower tariffs in view of what our neighbours to the south have been doing with their tariff for the last two or three years. In Nova Scotia we are practically shut out from the markets which we had there for our fresh fish. The result to-day is that men who were engaged in the fishing trade along the south coast of Nova Scotia and particularly the island of Cape Breton, are forced out of that business for want of a market and they must go to the coal mines of Nova Scotia to make a living, as that is the only other large industry we have. If I had time I might go into the way in which our customs officials are looking after the dumping clause of the act. We are not well organized in this regard, and I am of opinion to-day that this is one of the things that should be remedied owing to the fact that while United States' operators are not dumping their coal into this country, they are defrauding the tariff getting it in at a much lower duty than it should come in at. I hope I have satisfied the hon. member for Vancouver South (Mr. Ladner), who asked me the other night regarding my position in regard to the question of coal duty. I have placed it before the House in a much briefer way than I would like to have done, owing to the fact, as I said at the outset, that I was unaware that this question was coming before the House this evening.

Mr. D. F. KELLNER (East Edmonton): Mr. Speaker, I was wondering if the Minister

of the Interior could clear up a little confusion that seems to exist between this government and the provincial government. I understand when he was out west recently he made a speech in which he made nearly the same statement as he has made to-night. I have before me a copy of the Edmonton Journal in which there is a report of an interview with Premier Greenfield of Alberta, who states that they knew nothing about any $50,000 being specially ear-marked for moving Alberta coal. I do not wish to read these articles as they are a little long, but further down, on April 28, the trade commissioner, Mr. Stutchbury, says that he wrote the Hon. Mr. Stewart asking for this assistance, and that on June 23 he renewed the request, so I cannot see how the minister can state to-night that he did not have any application from Alberta.

Mr. STEWART (Argenteuil): Mr. Speaker, when the subvention was voted last year, both the Alberta government and the eastern coal interests knew it was for the purpose of assisting in transportation. When we passed the order in council after a definite arrangement had been made for the assistance of eastern coal, we set aside $50,000 to be applied to the movement from Alberta. It was always there. The one difficulty was that arrangements were made to call on the government to put up the amount. Furthermore, I told Mr. Stutchbury, the trade commissioner, last spring, while the strike was on, that I would expect lignite coal would be loaded at a rate of $3.50 per ton. He doubted very much whether that could be secured. I told him I thought, in fairness to the consumer and to the government that were giving assistance in this movement, that would be a reasonable rate, and I understood afterwards he secured the rate from the Drumheller mines.

Mr. KELLNER: He made application on April 28 and June 23.

Mr. STEWART (Argenteuil): He did not make any application for any specific amount. That has not been done yet, because they have no arrangement with the railways. The arrangement I mentioned to-night is one I saw through a press despatch.

Sir HENRY DRAYTON (West York): Mr. Speaker, the issue is extremely plain, and it affords us a pretty good opportunity of showing whether there is any real sympathy in this House with Nova Scotia and Nova Scotia miners, some of that sympathy that we have heard so much about from people that I had hopes were entirely sincere in their expressions of sympathy. The minister gives us very cheering news in connection with coking. It is a very excellent thing, something which we certainly ought to have. The minister said that there was another good thing about coking besides supplying this coke. He said it would also enable the Nova Scotia people, who now have considerable difficulty in finding a market, to sell another million and a half tons of coal. The hon. gentleman nods his head. When the hon. gentleman said that, he admitted the necessity for the duty. When he nods his head, he corroborates the necessity for the duty—

Mr. STEWART (Argenteuil): No.

Sir HENRY DRAYTON: —and yet he tells us that there should be no duty. He shook his head. Let us see why he did so. In the first instance, as we understand the matter, there is difficulty in Canadians selling bituminous coal in this country, while at the same time we are importing millions and millions of tons of bituminous coal. Under those circumstances, if anything like a fair consideration be given, if the question of Canadian markets for the Canadian worker is to apply at all, surely it is supposed to be the policy of this government that it should apply in matters that are indigenous, in matters of first production, the mines, agriculture, fisheries and forests. Certainly we have in the mines in Nova Scotia a condition which is such that the companies cannot market their coal, and my hon. friend knows that. He knows further that not only can the companies not market their coal, but that they have banked coal and this means loss in the coal itself, deterioration of the coal, losses in the trade. My hon. friend has also admitted that it costs $6 a ton to put Nova Scotia coal into Montreal. If he has looked into the matter at all he will know, what is the fact, that American bituminous can be sold easily at lower rates, and that company contracts are given freely on that reduced scale. I do not really know why the government wants the reference to the duty withdrawn; I cannot see the reason. Here we have something which is absolutely indigenous to the soil, something which is intensely vital to a whole province; we have something passed upon by the Liberal party of that province through its official chief in regard to which there is a demand for a duty. We are not asking for any specific duty in this matter. We are merely asking that there be a protective duty which will enable Canadians to work in Canada. It does seem to me that under these circumstances the gov-

ernment, if they desire to give any consideration at all to the Nova Scotia miners, will accept the resolution.

Mr. JOHN EVANS (Saskatoon): I want to have a little information regarding this resolution; I want to know exactly what a national policy in regard to fuel means. The resolution calls for a duty on United States coal; but that cannot possibly help the householder, whether in Ontario or in western Canada. In this country we are in the anomalous position of having created an industrial area that possesses neither coal nor steel, an industrial area that is devoid of these two great commodities necessary to a manufacturing centre. The situation regarding fuel is acute only in this area of Ontario. Now, if a national policy on fuel means that the treasury must again be drained in order to give a subsidy to the railways to haul coal from Alberta and from Nova Scotia, I think we should carefully consider it before entering on this kind of project. This industrial area, as I have said, is in a most anomalous position. The fuel situation no doubt is sometimes acute, but we cannot better it by this means; and after we have protected this area by a high tariff from competition without, and also by means of a discriminatory freight rate from competition on the part of the rest of the Dominion, I for one will want to know exactly what a national policy on fuel means. I see it calls for a duty, and it also calls for a preferential rate on the railways. Western Canada will not be in favour of this resolution, and I for one must oppose it.

Mr. HANCE J. LOGAN (Cumberland): It is now nearly midnight, and this is no time to discuss a national coal policy. I regret that we have not a whole day to consider the matter in view of its supreme importance. I shall not take more than a few minutes therefore to express my opinion on the subject. Last year when the resolution was moved, I endeavoured, speaking at some length, to show the necessity for a readjustment of the coal tariff.

We are asking in Nova Scotia that the duty on slack coal be made the same as that on run of mine. When run of mine coal was given a duty of fifty-three cents a ton, a duty was placed on slack coal of fourteen cents, the idea being that the tariff from an ad valorem standpoint was about equal; because at that time slack coal was a cheap commodity. As a matter of fact, if you travelled throughout the United States then you would find around every colliery mountains of slack coal which you could buy at fifty cents or less a ton. Owing to improved apparatus, however, stokers, feeders and so on, slack coal has become almost as valuable as run of mine, so that to-day there is only a few cents difference in the price. And yet the duty on slack coal remains at only fourteen cents a ton as against fifty-three cents on run of mine. We in Nova Scotia are asking that the relative ad valorem percentage be made the same as it was when the duty was established. I do not think we are asking anything unreasonable; I do not think that an increase in duty will affect the consumers of this country to any great extent. But we shall certainly prevent the fraud on customs referred to by my hon. friend (Mr. Carroll), whereby importers to-day make a mixture of about half slack and half run of mine. They screen it at the mine in Pennsylvania and enter it for customs about half slack and half run of mine. The actual duty they pay is about thirty-three cents a ton. Thirty-three cents a ton on coal at the price it is to-day is not a protective tariff.

Let me read, for the information of the House, some figures in regard to the value per ton compared to the percentage of duty as collected on run of mine coal and slack coal. In 1916 the percentage of duty to value was 46.5 per cent, on run of mine. In 1923 it had gone down to 13.5 per cent. In 1924 the percentage of duty collected on the value of run of mine was 17.7. In 1916 the percentage of duty to value on slack coal was 16.2 per cent; in 1923 it was 3.8 per cent, and in 1924 5.9 per cent. In that time the importation of slack coal had increased by leaps and bounds until last year there was imported into this country over 3,000,000 tons of slack bituminous coal, paying a duty of only 5.9 per cent of the value. Yet when we in Nova Scotia ask for an increase in that duty we are charged with being high protectionists. We are only asking for the lowest kind of revenue tariff on slack coal

We know to-night something of the conditions that exist in some of the collieries of eastern Canada. I will not go over the harrowing state of affairs that prevails there, and which existed even before the strike. Let me tell you, Mr. Speaker, that whereas Nova Scotia in 1913, the last normal year—that is, the last year before the war—produced over 8,000,000 short tons of coal, in 1924 we produced only 5,500,000 short tons. In other words, our production of coal in Nova Scotia instead of advancing, as it should have done, has gone down since 1913 two and a half million tons annually. And yet you want to know what is the reason for the conditions

that prevail in Nova Scotia to-day! One of the chief reasons why there has been that great decrease in production is the admission of slack coal at a very low rate of duty. We are now asking that that be rectified and the duty upon all coal put at the same rate.

I go further, although all my friends do not agree with me, and say that when we need a tariff so badly that we are taxing our people here, there and everywhere in all sorts of ways, we should insist on putting a duty upon what is a semi-luxury—anthracite coal. No man can advance any argument in favour of the policy that makes the poor man who lives in a hovel pay a duty upon his coal while the man who lives in a mansion is allowed to bring in his coal duty free. I also advocate of course that we should put a duty upon anthracite dust, because that is another commodity which came in here last year to the extent of 300,000 or 400,000 tons to supplant coal mined by the miners of Canada.

Now, what is the objection to this course? The only objection I have heard raised is that if we increased the duty on slack coal the Americans would also increase the duty upon slack coal from British Columbia. If I am wrong I want to be corrected, but I am informed that, whereas in Nova Scotia we produce over 40 per cent of slack coal owing to the friable condition of our coal, in British Columbia they do not produce more then 20 per cent of slack coal, nearly all of which they use for manufacturing purposes in that province. They are not sending slack coal from British Columbia into the United States. Therefore there is nothing to fear in the way of reprisals.

I congratulate the government upon the policy they propose to adopt with reference to coking. It is a policy which can be discussed at considerable length when the measure is brought down. I endorsed the policy last year of giving a subvention in aid of freight rates on coal. It has brought good results, for over 100,000 tons of coal have reached Quebec and Ontario from Nova Scotia that would never have been sent there but for that subvention. I wish, however, that the limit of 50 cents could be increased to at least $1, because under the present rate no coal has been shipped from the mainland of Nova Scotia into these western markets. This matter will take considerable time to debate, and I am not going to weary the House at this late hour. I only make this plea to the government, to remember that we have in Nova Scotia 14,000 honest, hardworking men—that is, they would like to work if conditions were right. We have down there men who have been mining coal under difficult circumstances, and we find that instead of our production going up it has gone down two and a half million tons per annum during the past twelve years. Taking the average price of coal at the mine at $4 per ton, we are receiving $10,000,000 less in Nova Scotia in 1925 than we were in 1913.

Mr. J. J. HUGHES (Kings, P.E.I.): Mr. Speaker, this is a large question, and it has been discussed from several angles this evening. Most of those who have spoken have viewed it from the standpoint of the mine operators and the miners. Now, a large body of people are vitally interested in this question—the people who consume coal. Nearly everybody does that. This is a country in which artificial heat must be provided during the winter months, and I know as a matter of fact that the ordinary householder in the Maritime provinces finds it difficult at the present price of coal to warm his house sufficiently to make it comfortable. He finds his coal the largest item in his bill of expense. Therefore I should like to say something from his viewpoint. But the evening is so late, Mr. Speaker, that we cannot do the subject justice, and therefore I move the adjournment of the debate.

The House divided on the motion (Mr. Hughes) which was agreed to on the following division:

YEAS

Messrs:

Archambault, Benoit, Binette, Brown, Cardin, Casgrain, Davies, Delisle, Desaulniers, Deslauriers, Evans, Finn, Fiset (Sir Eugene), Forrester, Hammell, Hanna, Hughes, Johnston, King (Huron), King (Kootenay), Lapointe, Logan, Lovie, Low, McBride, McConica, McIsaac, McKay, McMurray, McTaggart, Mercier, Motherwell, Murdock, Ouimet, Pelletier, Raymond, Rhéaume, Rinfret, Sinclair (Queens, P.E.I.), Snowball, Stewart (Argenteuil), Stork.—42.

NAYS

Messrs:

Bancroft, Bowen, Carroll, Chisholm, Church, Clark, Coote, Doucet, Drayton (Sir Henry), Drummond, Elliott (Waterloo), Fansher,

Gardiner,	Ross (Kingston),
Garland (Bow River),	Shaw,
Hodgins,	Speakman,
Hoey,	Spence,
Hubbs,	Spencer,
Kennedy (Edmonton),	Stewart (Leeds),
Ladner,	Stirling,
Maclean (York),	Sutherland,
McKillop,	Thompson,
Marler,	Thurston,
Martell,	Wallace,
Meighen,	Ward,
Preston,	Woodsworth.—38.

PAIRS

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

Messrs:

Robb,	Stevens.

On motion of Mr. Lapointe the House adjourned at 12.08 a.m. (Tuesday).

Tuesday, March 17, 1925

The House met at three o'clock.

PRIVATE BILLS

FIRST READING

Bill No. 26, respecting a patent of Walter W. Williams.—Mr. McMaster.

LEAGUE OF NATIONS—FIFTH ASSEMBLY

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table copy of the report of the Canadian delegates to the Fifth Assembly of the League of Nations, September 1 to October 2, 1924, also copy of the journals of the Fifth Assembly of the League of Nations, September 1 to October 3, 1924, containing summarized reports of all plenary meetings of the assembly. I think this latter document will give my right hon. friend (Mr. Meighen) the material he was requesting the other day. I move:

That 800 copies in the English language and 200 copies in the French language, of the report of the Canadian delegates to the Fifth Assembly of the League of Nations, September 1 to October 2, 1924, laid on the table of the House this day, be printed forthwith, and that rule 74, in relation thereto, be suspended.

Motion agreed to.

REPORT

Memorandum prepared by Mr. E. H. Scammell, Deputy Minister of Soldiers' Civil Re-establishment, and correspondence re Canteen Funds and Disablement Fund.—Hon. Mr. Beland.

[Mr. Hughes.]

CANADA EVIDENCE ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 27, to amend the Canada Evidence Act.

He said: Subsection 2 of section 5 of the Canada Evidence Act, which deals with objections which a witness may have to answer upon the ground that his answers may incriminate him, enacts that answers so given shall not be used or received in evidence against him in any criminal proceedings except a proceeding for perjury in the giving of such evidence. It is proposed to strike out the words "in the giving of such evidence" at the end of the section.

Motion agreed to and bill read the first time.

THE RECENT EARTHQUAKE

On the Orders of the Day:

Mr. P. F. CASGRAIN (Charlevoix-Montmorency): Have the government received a report from the official of the Interior department who was despatched last week to the north shore of the river St. Lawrence from the city of Quebec to investigate the recent earthquake? This district is a very popular summer resort, and as summer will be in sight very soon and many people will very likely be summering in that district as in years past, it is important that the government should make an official declaration on the report of its official in order to give assurance to the travelling public.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I will direct the attention of the Minister of the Interior (Mr. Stewart) to the question of my hon. friend. I am sure he will be happy to give him an early reply to it.

CANADIAN NATIONAL RAILWAYS—ROUYN

On the Orders of the Day:

Sir HENRY DRAYTON (West York): I observe that a charter is being given by the Quebec Legislature for the purpose of building a railway to the Rouyn mines. Is it correct that an arrangement has been entered into whereby that railway is to be operated by the Canadian National?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall be glad to refer the question of my hon. friend to the Minister of Railways and Canals (Mr. Graham) who, I expect, will be in his seat to-morrow and will give an answer at that time.

PENSIONS AND SOLDIERS' CIVIL RE-ESTABLISHMENT

On the Orders of the Day:

Mr. J. A. CLARK (Burrard): On February 26, I asked the Minister of Soldiers' Civil Re-establishment (Mr. Beland) when it was contemplated that legislation in regard to pensions, soldiers' civil re-establishment and other matters, would be introduced. He said that legislation would be introduced very shortly and that probably notice would be given the following week. That is three weeks ago. The other day the Prime Minister stated that the budget would be brought down shortly. Will the pension legislation be introduced before the budget in order to give the Senate an opportunity to consider that legislation before the Easter recess?

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment): I do not think it was so far back as three weeks ago that the question was asked.

Mr. CLARK: February 26.

Mr. BELAND: At that time I pointed out, I think, that it would be introduced at the end of the following week. In the meantime, advice was received that a delegation representing the ex-service men would like to meet members of the government in connection with the proposed legislation and the date was fixed by themselves as last Friday, the 13th instant. The delegation met some members of the government on that date and since then I have been hard at work preparing a bill founded upon the representations that were made only two or three days ago. I hope to be able to present a resolution in the course of this week, or have it on the order paper at all events, and to deal with it as expeditiously as posible.

Mr. JAMES ARTHURS (Parry Sound): Are any material changes being made from the recommendations of the special committee of last year?

Mr. BELAND: No material changes that I can think of at present. Two or three further amendments, I believe, are in contemplation in this connection and also some amendments which were not mentioned by the parliamentary committee, which bear upon the Federal Appeal Board.

ALTERNATIVE VOTE

On the Orders of the Day:

Hon. T. A. CRERAR (Marquette): Is it the intention of the government to introduce at this session legislation giving effect to the principle of the single transferable vote in single member constituencies?

Right Hon. W. L. MACKENZIE KING (Prime Minister): That subject is under consideration and I shall have to give my hon. friend an answer later on. The government has not yet definitely decided whether to reintroduce the legislation this session.

Mr. GOOD: Did not the Prime Minister promise last year most definitely and explicitly that the bill would be brought down this session at an early date?

Mr. MACKENZIE KING: If I made any such promise it will be carried out and the bill will be brought in.

INTERIM SUPPLY BILL

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

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): What is the purpose of going on with supply to-day? Is this regular supply or will it take only a few minutes? I understood yesterday that we were to go on to-day with the Petersen contract.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think the announcement was made that the Acting Minister of Finance desired to have an interim supply bill put through.

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

Mr. ROBB moved:

Resolved that a sum not exceeding $31,409,846.82, being one-sixth of the amount of each of the several items to be voted as set forth in the main estimates for the fiscal year ending March 31, 1926, laid before the House of Commons at the present session of parliament, be granted to His Majesty on account for the fiscal year ending March 31, 1926.

Sir HENRY DRAYTON (West York): My hon. friend told me a couple of days ago that he would have to obtain supply earlier than usual this year, as there was a strong probability that the Senate would be rising. Under the circumstances I see no reason why the usual thing should not be done. I would point out that what we are doing now is to enable the government to carry on properly. There have been oppositions sitting in this House, with which my hon. friends across the way are familiar, that have taken an absolutely different stand, apparently under the impression that sharpshooting and sniping and anything of that sort were admissible in the game. We have the idea that our function ought to be to enable the government properly to carry

on, and we know that it is necessary that these bills should be passed a little in advance in order that the public service may be continued. I therefore give my full and free consent, so far as I am concerned, to the bill going through on the usual terms. By that I mean that the House in passing interim supply is not committing itself to any item whatever, either as regards its principle, as regards the amount involved, or indeed as regards its very necessity. In other words, the House is left absolutely free to deal with the estimates as it sees fit when they come up for consideration. I am agreeing to-day to the payment in advance of one-sixth of the estimates. I have not checked the figures myself, for it is rather difficult to do that; but I have no doubt that the minister has had them dealt with by the proper officials and is able to tell us that the amount he now asks for represents truly and correctly one-sixth of the main estimates now before the committee.

Mr. ROBB: That is my understanding. The accounts have been checked up by the department and I have no reason to think that they are incorrect in any way. My hon. friend has taken a fair attitude.

Sir HENRY DRAYTON: The minister understands that the supply goes through on the terms I have stated.

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

Mr. ROBB moved that one-sixth of each of the resolutions reported from committee of Supply be now concurred in.

Motion agreed to.

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee of Ways and Means.

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

Mr. ROBB moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1926, the sum of $31,409,846.82 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 28 for granting to His Majesty certain sums of money for the public service for the fiscal year ending March 31, 1926.

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

[Sir Henry Drayton.]

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION FOR RATIFICATION DISCUSSED

The House resumed, from March 13, the adjourned debate on the motion of Hon. T. A. Low (Minister of Trade and Commerce) to ratify and confirm a contract between His Majesty and Sir William Petersen providing for the establishment of a subsidized steamship line on the Atlantic, and government control of certain ocean rates, and the proposed amendment thereto of Mr. Clark (Burrard).

Mr. A. E. ROSS (Kingston): Mr. Speaker, as a member of one of the races comprising this great British Empire, may I affirm our kindly feelings and good wishes to all those who are to-day commemorating their patron saint.

Now, Sir, I feel no apology is necessary for participating in the discussion of the subject now before the House. The proposition as placed before us by the government requires our careful consideration. It is one of universal importance because it affects each one of us directly or indirectly. Commerce and transportation are the most important subjects that can be laid before any parliament. Every great nation has achieved greatness through use of ocean routes, and therefore I say I have no apology to offer in discussing a subject of this importance. The report before us suggests a combine among the north Atlantic shipping interests. This is an American word implying a restriction of trade or commerce, a restriction that may extend even to the point of becoming a monopoly. But the report gives us no definite proof that there is any such combine or restriction of competition. If, however, we grant the existence of a combine, we must admit that three great principles lie at the basis of its discussion. The first is, that contracts in restraint of trade—which is rather a local word, implying business between parts of a country or adjoining states—and contracts in restraint of commerce—which is a wider term—are very undesirable. The second principle is, that the economic effects of such a restraint may be either good or evil. The third principle which should be discussed by any such report is, that anti-trust legislation very often oversteps its scope and produces harmful effects. These three principles find no part in the report or in the discussion of the subject so far by members of the government. Therefore, when the report goes to the committee, we as a House must insist that there shall come back to us some proof that there has been a restraint of trade

or lessened competition; in the second place, a description of the effects, whether good or evil, of such restraint; and third, what will be the ultimate result of the solution proposed by the government.

I come now to the attitude which would be assumed by the man in the street as he discusses with his fellow men the proposal put forward by the government to offset the alleged combine among the north Atlantic shipping interests. The first question he takes up, as far as we have been able to come in touch with him, is the attitude of the agent of the government in the preparation of his report and his solution of the difficulty. Heaven forbid that I should apply to the author of the report the description given by the Minister of Agriculture (Mr. Motherwell) —"a good mouser". This phrase brings before us two characters of the feline family common to any home. One is the family tabby with sleek fur, comfortably ensconced in the living room, decorated with pink and blue ribbons and a favorite with every member of the household and every visitor. This animal is not a mouser—is not expected to be one. She is welcomed to the best couch and is the family pet. The other character is the cat who comes only occasionally, satisfies his intestinal craving for the good things of life, then hears the call and jumps out into the backyard. He is the disturber of the backyard peace, his screams annoy the sleeping world, and his portion is a mixture of bricks, bottles, boots and bones, and as he flies from yard to yard he makes trouble not only for himself but all his race. He does not set out to find any particular trouble, but he creates it wherever he goes. Finally he comes back home, tired and disreputable, scolded by all the family except the old grandma sitting in the corner; she takes him up, defends him for all his bad actions and says, "He is a good mouser." And now this member of the feline family comes home again: he has moused in Japan, he has moused in China, he has moused in Korea, he has moused in England, he has moused in northern Europe; but at last he is back home once more, battered and torn, and the old grandmother again takes him upon her lap and she says, "Well, this is our family cat; we have raised him, we are responsible for all his wilful ways, and we must keep him, for he is a good mouser."

I could leave the subject there, because we are not concerned with the past, or anything else, of the agent in this matter; but we must look at his present conduct. And the man in the street, when he reads his morning's paper, finds that this agent of the government, just after reaching home, gives an interview. This is the character of the interview as set forth in the Ottawa papers: Speaking of his work and his visit overseas, he says:

> I see that Sir George MacLaren Brown, the Canadian Pacific Railway's steamship representative in London, is criticizing me for not having called upon him while I was there. Why should I be bothered with a mere subordinate when the head offices of the company are right here in Canada?

And he goes on:

> I want to laugh when I read the suggestion that the facts should have been referred to Sir Norman Mackinder, chairman of the North Atlantic Shipping conference. They might just as well be referred to a certain well-known newspaper, which is simply a mouthpiece of the corporations. If the government were so foolish as to place the issue in his hands, I would be amazed. In any case, why should we do so? It's none of their business.

Then he goes on:

> There is one important thing I notice to-day in the cable news. It intimates that Petersen will not get the £600,000 subsidy which he was entitled to simply because he proposes to enter into competition with the combine. If that's the case, it's the first body blow to Imperial preference, and I am right ready to join with those who will end the farce of this so-called preference for good and all time.

Now, that is hardly the attitude that should be taken by a representative of the Dominion government who goes abroad to discuss a matter of such vital importance. The men mentioned in his report are strong men, they have done good work, and there should be no attempt to initiate a warfare between this country and these interests. We need one another; they need us and we need them in this great work, if there is to be development in this country in the matter of commerce and transportation.

In the second place, the man in the street questions this report as likely to defeat the object which the government has in mind. If the government's attitude is to prevent the lessening of competition, they have taken a rather doubtful method of accomplishing that. Through all ages the factor that has always prevented a monopoly of ocean routes has been the tramp steamer, and instead of encouraging the tramp steamer this proposal is likely to have the opposite effect, is likely to take away business that the tramp steamer would otherwise get. The tramp steamer has always had an important place in the development of commerce. If you take the figures as given lately you will find that visitations of tramp steamers have been very frequent and have been increasing so far as the ports of this country are concerned. In Montreal in 1921 there were 301 tramps; in 1922, 409; in 1923, 246; and last year 447. In further evidence as to the importance of

the tramp you will find these words in volume I, The Merchant Navy, by Hurd:

> The importance of the tramp owner in the shipping economy of the Empire cannot be too much emphasized. "Not only was he responsible for the larger part of our steam tonnage, but we were dependent on him for the import and export especially of what may be termed the rougher class of bulk cargoes, which are not as a rule suitable for liner business. It would be impossible for a country like the United Kingdom, with its enormous flow of trade, to depend wholly on regular lines with scheduled sailings."

I think I voice the opinion of the man in the street when I say that the government's proposal will not assist in the development of the tramp business. In further evidence that the tramp business plays an important part in British trade I would like to refer to figures given in 1914 with respect to steamships engaged in overseas trade. There were 1,200 regular liners at the beginning of the war, in 1914, having an average tonnage of over 5,000, and there were at the same time 2,400 tramps having an average tonnage of 4,000. It would seem to me as if the encouragement of the tramp, looking at the matter from the Dominion as well as the imperial standpoint, would be the better solution of the problem of lessened competition or restraint in commerce, if there is such.

The third point that the man in the street would take up is the fact that this solution offered by the government barely gives us a service. If you will turn to pages 12 and 15 of the fifth annual report of the Canadian Government Merchant Marine you will find that of our sixty ships twelve were engaged in sailings between Canada and Europe. These twelve ships were able to provide only a fortnightly sailings to Bristol and fortnightly sailings to London and Antwerp. If twelve ships can give only a fortnightly service it is hardly to be expected that the service will be very much increased by ten ships. In connection with the services given by these twelve ships the question arises, what about our attitude toward the Canadian Government Merchant Marine? Will the merchant marine be simply set aside? And, in the second place, what will be the attitude of the larger interests which we would antagonize by this proposal? It is a serious question for us to consider, and the committee should be able to give us the attitude of the government along these lines.

The fourth point that the man in the street takes up in regard to this proposal is the question, who is to get the benefit of it? If it is a matter of control of ocean rates, then any advantage in that direction would assuredly affect the Old Country, whatever indirect benefit we would get therefrom, and the taxpayer of Canada would have to pay. We do not see that the Old Country is at present burning with an enthusiastic desire to get at the solution of this question or to assist in connection with the measure that the government now proposes.

Mr. GARLAND (Bow River): I understand the hon. member to refer to the possibility of the British consumer benefiting by this subsidy. Would he make that a little clearer for us?

Mr. ROSS (Kingston): My point is this: the man in the street, looking at this proposal, says: Here we are paying over a million dollars a year for ten years, for whose benefit? To control ocean rates, if possible to reduce them, largely for the consumer in the Old Country. True, we will get indirect benefit from it by increased commerce. But to the man in the street it looks as though we were paying for cheaper rates for the consumer in the Old Country. Why the Old Country may not become as enthusiastic as we expect in this matter I shall endeavour to point out a little later. Just now I am endeavouring to show how these proposals appear to the ordinary Canadian citizen, the man in the street, and these questions must be answered later on when this matter comes back to us.

The man in the street is also struck by this fact in regard to this proposal. From one end of this country to the other cries are going up to-day not only to this government but to every government in the Dominion of Canada for retrenchment and economy; and how are we answering those cries? We are answering them by the proposed building of a road to Hudson bay, by a road through the Peace river country, by two roads into the Rouyn country, where perhaps one would do. We see no effort, not even an attempt at economy. On the other hand, this government is met from day to day with cries as to the condition of the workingmen of this country. The condition is brought home to the government, that no matter who is to blame, whether it is the men on strike or the interests who are culpable, a large section of this country is to-day in want. It may be said that that is a provincial matter, but I would like to point out this: The health of the people of any part of this country is not a provincial matter; it is a national matter, and if there are conditions in this country where women are suffering, where children are cold and hungry, then it is a matter that will sooner or later affect us as a country. Children without proper food and

nourishment must suffer from the effects of malnutrition, rickets, and the onset of tuberculosis. Women worried about the condition of their family must sooner or later develop neurotic and neurasthenic conditions which will affect the women of this country as a whole. This government, instead of paying heed to the cries of economy and retrenchment, are building hotels in Paris, and sending out $3,000,000 of our money for that purpose; they are buying a club in London, and sending out $2,000,000 more for that; they are building up the ship yards of another country to the extent of $13,000,000 of our Canadian money, when the work could very well be done at home. The question of economy and retrenchment must come before the man in the street when he is considering the entrance of the government into a proposition involving an expenditure of $13,000,000.

The other night the hon. Minister of Railways and Canals (Mr. Graham) in discussing this subject brought forward the argument that the Old Land had refused to consider this proposition or enter into a conference on the matter. I would like to-day for a short time to take up with this House the position that Great Britain occupied during those years 1909 and 1910 and down to 1914. I want to give reasons why in my opinion Great Britain could not enter into a conference or consider the matter at that time. And I would like to say that these are my own opinions; they may be wrong, but at the same time I look upon this matter as an Imperial problem.

The first objection that Great Britain would have against going into a fight on this matter would be that for ages she herself had granted just such monopolies to different parts of the empire. These monopolies were for very special state reasons. There was the East India Company, for instance; the West India Company, the Hudson Bay Company, and so on. She could not very well criticize interests for doing what she as a state had been doing. Her further reasons for non-interference would take us into a discussion of the position of the British mercantile marine and its importance as a factor in the development of Great Britain's commerce. Great Britain's existence has always been bound up in her merchant marine. For her own defence this merchant marine, we might say, started with special privileges she had given to what were known as the Cinque ports, and to the merchants of those ports.

It is interesting to note three or four events which show how dependent Great Britain has been upon the development of her merchant marine. There was first, in the Norman days, the battle of Sandwich in which the fleet consisting only of British seamen on British merchantmen defeated a French armada from Calais which was about to make a descent on England under Eustace the Monk. In 1217, there was the battle of Sluys in which, near Bruges, the British fleet, made up altogether of merchantmen from all parts, destroyed a French and Genoese fleet about to make a second descent upon Britain. In 1415 the first fleet raised by the Henrys was raised altogether from vessels around the ports of Great Britain. The fourth event was the aggregation of vessels which composed the English fleet which defeated the great Armada. Throughout the middle ages, you find the merchant marine not only maintaining but even extending the trade of the empire, and, as well, providing all the means for defence and security of the country. That brings us down to the Napoleonic period, which ended in 1815, and it is important to note the part that was played in that great conflict by the British mercantile fleet. In the Napoleonic wars these merchants of Great Britain lost some eleven thousand vessels by capture, and yet in spite of that at the end of 1815 they had 24,860 vessels upon the ocean. In 1874 they had 36,900, and of these 24,828 belonged to the United Kingdom. These figures indicate the persistence of the merchant people of Great Britain in the face of great losses, and also the assistance they gave in carrying their country through great crises. They indicate the part that was taken by the merchants and by the merchant marine of Great Britain in the affairs of state, and in the development of commerce and in the defence and security of the empire. Following 1815, there came a period of re-organization, with practically no assistance from the state. Its inspiration was due to farsighted and resourceful business men in the great British seaports. In spite of war, in spite of enemies and the interference of press gangs, the merchant marine continued to grow. This covers a hundred years of development, from 1815 to 1913 in which one of the chief items of importance in regard to the development of our merchant marine was the enactment of "navigation laws" which embodied a principle of absolute protection. These laws confined the import trade to British ships or ships of the producing country, restricted the carriage and transportation to the colonies, and reserved the whole of the coasting trade to British vessels navigated by British masters and with crews seventy-five per cent British subjects. In 1823 these laws were repealed.

The year 1850 was a very marked year in the development of our merchant marine. In that year the Marine department of the Board of Trade was formed. This department concerned itself with the question of security at sea, and with the proper type of sailors and seamasters. This century witnessed the transformation from sailing to steam vessels which at first retarded the development of the merchant marine, but later the occurrence of the American Civil war removed competitors from the trade and it was found that British tonnage, from 1850 to 1874, had increased from 65 to 68 per cent, while the United States tonnage in foreign trade had fallen from 60 per cent to 38 per cent. But this is the point I am coming to. The Prussian tonnage only varied from 49 to 46 per cent becoming a very important factor in competition with our British mercantile marine.

The duty of the Marine department of the British Board of Trade was clearly defined and restricted; it was concerned mainly in providing for the security of life and property at sea. It had no share directly in the upbuilding of the mercantile marine; in fact state interference—I should like the House to note this, because this is the important point—state interference with trade either by land or by sea was regarded with suspicion and distrust: The strength of the merchant marine has always depended, in the main, upon the enterprise and business ability of the shipowning community in meeting the nation's needs without state subventions or state encouragement. The relations between the government and the mercantile marine have also been very close, so that in August, 1914, the Admiralty controlled a naval reserve of upwards of 18,000 trained officers and men of the mercantile marine and fishing industry, in addition to a total of 170,000 men of the marine of British birth and 100,000 British fishermen. During the sixty years preceding the outbreak of the war the Board of Trade, Lloyd's Register and ship owners shaped the valuable economic and warlike weapon which proved an essential element to victory when at last the great war opened.

In 1890 the United Kingdom had 3,000,000 tons of sailing vessels. In 1900 this had declined to 2,000,000 tons, and in 1913 it had dropped to 850,000 tons but between 1885 and 1913 there was built up some 25,000,000 tons of steam shipping. Two-thirds of this was constructed in the United Kingdom and over one-half for the British flag. At the same time shipping had increased during this period—1894 to 1913—from 700,000 tons to 2,000,000 tons. Great as this growth was in British tonnage—and in the attempt to meet the increased shipping Britain had nearly doubled her tonnage between 1903 to 1913; in the same period the increase in Germany was four fold. It was a fortunate occurrence that Great Britain possessed half the merchant shipping of the world at the beginning of the war, otherwise the Motherland would have been seriously hampered in its prosecution of it and the ultimate result might have been different. At this date—the opening of the war—the British merchant marine was the largest, most modern, and most efficient of all the merchant navies of the world. Its quantity was divided as follows: In the United Kingdom 11,538,000 tons, and in the colonies and dominions 902,000 tons, making a total of 12,440,000 tons, whereas the world's total was only 26,000,000 tons. The nearest competitor at that time was Germany with 3,096,000 tons.

Now, Mr. Speaker, these facts show the critical periods in the history of the British Empire, largely the history of our mercantile marine. It was just at these critical years—between 1890 and 1913—that Britain was asked to take part in a conference which would affect her standing in relation to this great shipping which had been built up largely by the sacrifices, by the persistence, and by the tenacity of the merchants of her ports and the seamen on her shores. If we had a "mouser" of some importance, some one with some knowledge of the history of British shipping and of the relation between Great Britain and her mercantile fleet, one who could go into these questions seriously and bring to this House the report as to whether we can now or at any time in the future take any action which will interfere with the relationship which has always existed between the merchant navy and the state, we should be in a better position to consider what steps we should take. This relation to which I have referred is a serious question and requires a great deal of consideration by this or any other government. The period of crisis when Great Britain was asked to take part in this conference is past. To-day there is a spirit of co-operation abroad, there is a spirit of Imperial development moving; and what was refused then might well be considered at this present time, and I have no doubt will be considered.

4 p.m.

Now, I come to two practical suggestions in dealing with this subject. The government has expressed the opinion that no suggestions have been offered by hon. gentlemen on this side. Well, I am going to offer one now. We can take no steps, with safety and security to

this country, that will interfere with the great work that Great Britain has carried out in the last hundred years. If we want to take part in the development of a marine that will go on in the future I suggest, as some other members of this House have suggested, that our attitude should be a most friendly one towards the Canadian Pacific mercantile marine. That marine has no intention of acting in any way that will prejudice Canada's prosperity. Their interests are bound up completely in Canada; their whole development, their future, will depend upon the future of Canada; and we could very well consider the building up by the Canadian Pacific of a marine that would be a credit to us in the future. Second, there is the support that we could get from our Canadian Government Merchant Marine. I am not one who will discredit the merchant marine; I believe that with good management a service could be obtained from it. There are no reasons why boats cannot be properly fitted out, and, I would like to bring to the attention of the government a case in 1899 and 1900 when the government of Canada made use of boats such as existed then to carry troops, cavalry and artillery to South Africa. We went out on one of the Elder-Dempster line, hastily brought into the port of Halifax and prepared in such a way that she carried some 600 horses to South Africa. That voyage lasted about twenty-six days, and no doubt these horses suffered somewhat on the voyage. But on a voyage to the Old Country of twelve days or two weeks, no such injury could be effected to animals, cattle or horses. There is no use in saying that our merchant marine could not be used. These Elder-Dempster boats of which I have spoken were only ordinary merchant marine boats, not nearly as good as the boats we have now, and they were fitted up at that time for the purpose of transport to South Africa.

I should like to conclude my remarks by a summary of my position in regard to this matter:

1. The attempt of a state to break a conference of commercial interests engaged in shipping is a most difficult one.

2. The attempt of a state such as Canada, deeply in debt, which attempt is complicated already by a heavy burden of transportation now on our shoulders, seems almost futile.

3. The Petersen contract is a reversion to the old monopolies of the middle ages when the state granted trading privileges to certain of its citizens as a monopoly, which monopoly is now given by way of cash bonuses.

4. Canada's future will be best served by co-operation with her own interests and the use of her own merchant marine rather than by going out of our borders to build up a marine service which will not be ours.

5. Canada's future will also be well served by a development of a connection which will serve to defend as well as to extend our commerce.

There is no future for Canada in the proposed contract with the government. At the end of ten years, which is a long period in the life of an individual, but a very short period in the life of a nation, we shall have developed a unit which is not our own, upon which we shall have spent some thirteen million dollars odd, and in doing this, we shall not have developed work in our own country where there is a great need of such work.

In the amendment there is the possibility, or the appearance, of imperial action, of imperial co-operation, and it is at least worthy of our best consideration.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Kingston (Mr. Ross) will, perhaps, excuse me if I do not attempt to follow him in detail in the remarks which he has just made. He has summarized his views in a few concluding statements, and to these I shall make a brief reply. My hon. friend feels that this attempt is one which, under the circumstances, is likely to be difficult, and therefore, I gather from his remarks, should not be proceeded with. That is a counsel of despair. To meet a situation, that is, we admit, very difficult and complicated, it offers nothing, whereas the very fact that the task is difficult and complicated, makes it, we feel, a task that should not be left untouched, but one for the government of this country to undertake. My hon. friend says that he fears the attempt which we are making will be futile. I am amazed that, speaking, as so many from my hon. friend's side have spoken, in support of the shipping interests, they should feel the great concern they do about this attempt, if it is to turn out as futile as my hon. friend claims. As a matter of fact, if proof were needed that it is necessary to make such an attempt as the government is making at the present time to meet a grave situation, it will be found in the extensive propaganda which has been spread from one end of this land to the other, through the press of the country by the shipping interests. What astonishes one at the moment is their finding such great need—as shown by the efforts they are making —to oppose the so called Preston report. If

this plan that the government proposes is to be futile and of no avail, what are these powerful interests so much concerned about? There come to one's mind the saying: "The lady doth protest too much, methinks." In this instance, the shipping interests are helping to direct attention to the necessity and vastness of the situation with which the government is attempting to cope.

My hon. friend made a somewhat quaint comment to the effect that he regarded the government's action as a reversion to some mediaeval form of bestowing a monopoly. When one has listened, as we have been forced to listen for some days past to remarks of hon. gentlemen opposite, to the effect that this is a sort of popgun scheme, as I think one hon. member expressed it, a hay-rake attempt, as some other hon. members expressed it, one cannot but marvel at the "mediaeval" monopoly that is being given to this Petersen fleet of ships in face of the great monopoly with which it purports to contend. My hon. friend says that he thinks the country would be better served by developing the Canadian Government Merchant Marine. If that is the case, why, when his leader was in office and that particular overture was made to him by members of his own administration and his high commissioner in London,—why did not he attempt to put the merchant marine in action and have it serve the useful purpose which his worthy followers now says he thinks it might be capable of serving? A little later on I shall have something to say about the merchant marine and its effectiveness in this regard. My hon. friend thinks the time would be better spent in developing a connection that would defend as well as extend our commerce. I hope that before I conclude my remarks, I shall show my hon. friend that that double aim will be achieved by the method which the government is adopting. Finally, he remarked that in the amendment there was a possibility, and then he very wisely modified the word and said, the appearance, at least, of imperial concern, or interest, or control, in the course which had been suggested by the amendment. My hon. friend showed his usual caution when he used the word "appearance," because that is, I think, the extent of the control the amendment promises.

I come now more directly to the resolution which is before the House and the amendment which has been moved with respect thereto. The resolution is the first necessary step to be taken by the government preliminary to the introduction of a bill to give the government control of ocean rates. The resolution relates to the control of ocean rates; that is the principle underlying it, and hon. members in voting upon the resolution are passing on the important question whether or not in their opinion the government should undertake to control ocean rates. Whether the method which the government is taking to control ocean rates may be effective or not is a subject which, I think, admits of debate and which should be discussed fully and carefully. But I would point out in that connection that the Minister of Trade and Commerce (Mr. Low), when he moved the resolution, took care to intimate to the House that the agreement which the government has made with Sir William Petersen with respect to placing on the Atlantic the ten ships mentioned, will be sent to a special committee of this House, together with the bill in which it is included, for full consideration, and that hon. members will have the opportunity afforded by such a select committee to weigh carefully all sides of that agreement, and to pass upon it, only after they have thoroughly considered it.

May I point out that it would not have been possible for the government to bring this important question to the attention of the House and refer it to a committee in any effective way other than the way that has been adopted, namely, by preparing an agreement.

Mr. GARLAND (Bow River): Do I understand the Prime Minister to say that he proposes that a bill shall be brought in and referred to the committee? Is that bill to be based on this resolution?

Mr. MACKENZIE KING: Yes, certainly, that is the purpose of the resolution; to permit the government to introduce a bill, which will be referred to a select committee of the House immediately upon its second reading. I have in my hand a copy of the bill which the minister intends to introduce; it is entitled, "An Act to give the Government of Canada Control over certain Ocean Rates". The bill is substantially, indeed I might almost say identically, in the words of the resolution which appears on the order paper. The bill has two clauses, to which is attached the agreement. So that what the government is doing, in presenting the resolution in the form in which it is, is to give to the House in the fullest and frankest manner possible all the details which will come before hon. gentlemen in the bill itself. As my hon. friend is aware, any bill which contemplates the expenditure of public moneys must, under the

rules of the House, be preceded by a resolution; and the resolution in the present instance has been drafted in terms which will make apparent to all hon. members exactly what the bill will contain.

The point I wish to make clear at the moment is that the government was careful in presenting this resolution to indicate at the outset that the intention was that, once the resolution was carried and the bill introduced and given second reading, it would be referred to a select committee of the House on which there would be representatives of the different parties in parliament, and that such committee would have all the powers which belong to a select committee of parliament, to investigate and consider the merits of the particular proposition submitted. The reason the government adopted that course was in order that hon. members might feel no concern in their own minds as to whether or not they were obligating themselves, by voting for the second reading of the bill, to adopt the measure on the third reading. The bill itself contains a provision to the effect that the contract does not become binding until it is passed by parliament; so that when the bill has passed the committee stage and comes back to this House, if it should be defeated on the third reading the contract certainly will not come into force and in fact will have had no being whatever. The contract does not come into force until after this House and the Senate, and His Excellency the Governor General by his assent have all joined to make the bill a part of the law of the land. I want to make that clear because I have noticed in the course of the debate that some hon. members have felt some hesitancy about supporting the resolution as introduced, fearing that they were committing themselves in some way to the specific terms of the contract. Let me emphasize the fact that hon. gentlemen, in agreeing to the resolution and the second reading of the bill, are committing themselves only to the principle of governmental control of ocean rates. The terms of the contract itself will be subject to the scrutiny of a special committee of the House. Before that committee the government will expect Mr. Preston, who has presented his report, to appear; the shipping companies who have had a report prepared in reply to Mr. Preston will also be expected to come forward and tell the country who wrote that report, as well as to support its contentions and representations.

A great deal critical of Mr. Preston has been said here but at least there is this to be said for him in contrast to the document of the shipping companies which we have before us, that Mr. Preston had the courage to put his own name to the report he submitted, whereas the reply which has been drawn up and presented to us bears no one's name. I venture to predict that it will be found to be a document written by the publicity agent of these companies. The committee should have the fullest opportunity to discover who wrote that document, and I have no doubt they will take care to ascertain its authorship.

I have, I trust, made clear that what we are asking the House to consider at the moment is the principle of the governmental control of ocean rates. The first clause of the resolution reads:

> That to give the government of Canada control over certain ocean rates it is expedient—

And so on. The purpose is to provide for the control of ocean rates; and the wisdom of that principle, I submit, has been confirmed in the amendment moved by the hon. member for Burrard (Mr. Clark), which admits the necessity of governmental control over ocean rates. Let me read the amendment as presented to the House:

> That Mr. Speaker do not now leave the chair but that it be resolved: That effective control of ocean rates can be exercised only with the co-operation of all portions of the empire, and by a body on which all are represented, and the contract made by the government with Sir William Petersen, based on the report of W. T. R. Preston is ill-advised, costly and futile and unworthy of the serious consideration of this House.

The amendment itself by implication declares that it is desirable to control ocean rates; but it goes further even than we have gone in our statement and adds that so serious is the problem, so gigantic is it, that no course which this country could take alone would be other than futile and worthless, and that we must get all parts of the empire together to secure proper control through some commission comprising representatives of those component parts. I shall have something to say later on about that method of attempting to deal with the situation. It is not a new one; it was suggested fifteen or twenty years ago. Indeed, it has been suggested over and over again at different Imperial conferences; it was suggested by my right hon. friend opposite (Mr. Meighen) and those associated with him, as well as by previous leaders of his party. I might as well mention at the moment that Sir Robert Borden, Sir George Perley, while Acting Prime Minister, and Sir Thomas White, also in the same capacity, all took the same view. My right hon. friend was also of the same opinion. But up to the present time nothing has come

of it; as the hon. member for Kingston (Mr. Ross) said a moment ago, it was all a matter of "appearance", nothing in reality was accomplished. For fifteen or twenty years there has been a suggestion that something should be attempted in the way of a joint control of ocean shipping on the part of the different empire units, but as I say nothing has been done. I might say immediately that over and over again the Associated Chambers of Commerce of Great Britain have suggested this very thing. If they, with all the power they represent, have been unable to get the Imperial Shipping Board to take action of the constructive kind which has been suggested, does my hon. friend, or do any other hon. members, think that action is going to be taken by that board at the request of this chamber? A little later on I will say something more in regard to this phase; but I might at the moment say, by way of parenthesis, that the adjectives which have been applied to what is referred to in the amendment as a scheme based on Mr. Preston's report might more appropriately have been applied to the course suggested in the first portion of the amendment itself, namely, that it is "ill-advised, costly and futile and unworthy of the serious consideration of the House." I do not think my hon. friend from Burrard (Mr. Clark), although he presented the amendment, ever drafted it. We are all familiar with the drafting of my right hon. friend (Mr. Meighen) opposite, and I will pay him the compliment of saying that it was he who drafted the amendment in the language in which it now appears.

But, Mr. Speaker, with respect to the second part of the amendment, the objection I take to it—and I am going to use plain, bald Anglo-Saxon—is that it is untrue, and I ask hon. members to vote against it for that reason. It says:

> —and the contract made by the government with Sir William Petersen, based on the report of W. T. R. Preston, is ill-advised, costly and futile, and unworthy of the serious consideration of this House.

Let me say to the House, the contract was not based on the report of Mr. Preston. This statement in the amendment is therefore wholly incorrect and is absolutely untrue. One does not need to go further than to look at the dates of the two documents and see that. Take the contract itself. If hon. members will look at that document they will find that it is dated December 11, 1924; if they will look at the Preston report they will find that it is dated December 31, 1924, several days—weeks in fact—after the contract itself had been signed. There is the first evidence that the statement is not true. But take Mr. Preston's own statement that appears on pages 11 and 12 thereof. There is a communication, called "frank statement Canadian case" presented in the form of a memorandum to the shipping interests of Great Britain. This statement is dated London, April, 1924. Let me read the statement to the House:

> The Canadian government has decided to take action in order that Canadian interests shall not be so seriously affected as heretofore by the operations of the North Atlantic steamship combine.
>
> Of two phases of the situation, the government has taken particular notice:
>
> (1) The occasional discrimination in freight rates against Canadian ports and in favour of United States ports.
>
> (2) Freight rates which are believed to be excessive in connection with the carrying of natural products and manufactured articles to overseas markets.
>
> One of the reasons alleged for the discrimination against Canadian ports is that the insurance rates are higher in the St. Lawrence river than to or from American ports. The government has this question under serious consideration and is hopeful of permanently establishing a parity of insurance rates on the St. Lawrence with those to and from American ports. So that phase of the question need not be commented upon. There are two solutions of the disadvantages under which the ocean transportation of Canadian products labours:
>
> (1) By an arrangement with an independent steamship company with government assistance, and government control over freight rates.
>
> (2) The establishment of a government service between British and Canadian ports with modern vessels.
>
> The former is regarded as the more desirable, if satisfactory arrangements can be effected.
>
> One or other of these alternative solutions is regarded by many interests in Canada as inevitable.
>
> During the session of parliament, 1923, a committee of the House of Commons heard evidence on the question of the North Atlantic steamship combine, and in reporting to the House of Commons, recommended the government to take action with a view of overcoming the disadvantages connected with the transportation of Canadian products overseas.
>
> This recommendation moved by Mr. A. R. McMaster, chairman of the committee, was unanimously approved by the House of Commons in the session of 1923.
>
> In accordance with the instructions of parliament, the government has been making inquiry into the various phases of the question.

There is a statement made by Mr. Preston to the effect that as a result of the resolution of the House of Commons, based upon the report of a select committee of the House, the government had decided to take action, and that that action would be taken in one or other of two forms. The first is discounted at the outset, namely, the undertaking of a government-owned merchant marine. The other is that the government would be prepared to make a contract with a company that was ready to give to the government in return control over ocean rates on its lines. There in Mr. Preston's own report is the announcement that the government had decided upon the course which it was about to take before Sir William Petersen had even been heard of.

Sir William Petersen was given the contract because he was one of several persons approached who was prepared to enter into a contract with the government giving them control over ocean rates on his ships.

And may I say here, Mr. Speaker, that the government has made it known from the outset that it was prepared to make a similar contract with any shipping company in this country that was prepared to give it like terms. The government to-day is prepared to give the Canadian Pacific Steamship Company and other steamship companies doing business out of Canadian ports, the opportunity of entering into a contract along identical lines with the Petersen contract, if they are prepared to do the same as Sir William Petersen is prepared to do, namely, give this government control over the rates on the commodities which they take overseas.

Mr. GARLAND (Bow River): May I ask the right hon. gentleman a question? Was such an offer extended to the Canadian Pacific Company prior to the Petersen contract being drawn up?

Mr. MACKENZIE KING: I will have a word to say about that in a moment when I come to speak more particularly of cattle shipments. May I say to my hon. friend in reply that I personally made such a proposal to the president of the Canadian Pacific Railway only a few evenings ago, and that offer is open at the present time. Now I invite the Canadian shipping companies to come along and give this government control over ocean rates on their lines, and I ask parliament to join with the government in helping us to give them consideration similar to what we are prepared to give Sir William Petersen for this privilege. If they do not come along and accept our offer, what is the obvious explanation? The one explanation is that these lines to-day find it more profitable to operate the way they are operating—I do not say whether they are operating within a combine or not—otherwise they would be willing to give the government of this country control of ocean rates under conditions similar to those of this contract. You have the whole case there. This is not a matter of a subsidy to a steamship company, as subsidies are generally understood and as hon. gentlemen opposite would have the public believe. They seek to confuse the issue; by striving to make it appear that this is an unconditional subsidy to the Petersen Company alone. The sum proposed is one which the government of Canada is offering to a company which is prepared to give to this country the control of ocean rates on its service. The two things are very different.

Mr. ARTHURS: Will the right hon. gentleman allow me a question? Is he prepared to say that he will do the same with any other company? In other words, will he give a subsidy of $16,000 odd per voyage to boats of this size?

Mr. MACKENZIE KING: I have made that very clear. I have limited my remarks to Canadian companies, but I have said that for the present any Canadian company that will give a similar service and similar rights to the government will be given similar treatment. Can I make it any clearer than that? More than that, it would not be fair to ask. This discussion about subsidies, as generally understood, is all beside the mark when one understands the significance of the contract that the government has entered into. A little later I will make a reference to some of the present subsidies being paid in this country—subsidies to steamships performing regular services and exacting the rates which the combine permits them to exact. That is not what we are doing under the contract with Sir William Petersen. Sir William Petersen has offered to put certain ships on the Atlantic, but not with money paid by the taxpayers of this country, as hon. gentlemen opposite are so fond of saying. So sure is he of the ability to make returns—knowing as he does the exactions of this ocean combine—that he says: "I am prepared to put on the Atlantic ten steamers of the most up to date type and to give the government of Canada the right to fix the rates at any figure they like, in consideration of a certain guarantee that they give me at the start,"—which guarantee has been mentioned. Now, I ask hon. members to think that matter over. You cannot get something for nothing; you have got to pay in one way or another for whatever you want. Is it not worth while paying something to discover whether or not these allegations about the operations of an ocean combine are true? We will soon discover that once this contract goes into force; we will soon discover whether or not Sir William Petersen is able to carry his agreement out. If he is able to carry it out; if he is able to save the producers of this country millions of dollars for the consideration he has received, having regard to the rates at which he is prepared to have commodities carried, and can still make a profit, it will not be long before the people of this country, the people of the Old Country, the people of Australia, South Africa and New

Zealand, will begin to inquire into the significance of this contract. My hon. friends opposite want other parts of the empire to join in the attempt to control ocean rates. If they are sincere in that, they will support the present government in instituting an experiment which will very soon bring all these parts of the empire together in one great effort to deal effectively with the situation. Until some government is strong enough and fearless enough to launch such a project and to demonstrate to all parts of the empire the actual conditions in respect of this combine—or conference, whatever it may be called—on the Atlantic whereby rates are controlled,—until that step is taken you will never get the different parts of the empire to work in concert in an effort to control rates. When that step is taken, however, you will find them united in seeking effective action. The steamship companies know it, and that is why we are getting so much of their propaganda all over the country in regard to this proposal. And that is why hon. gentlemen opposite talk about everything except this contract. They pound away at Mr. Preston—great heroes they are, when Mr. Preston is not in the House where he would be in a position to answer for himself. They do what they can to besmirch Mr. Preston's character, do what they can to belittle him. Why? Because he has been enough of a patriot, and had the courage to present to the country a report with his own name attached to it, and to say that he will go before a committee of parliament or any body hon. gentlemen like to designate and substantiate what he has said in that report.

Mr. SUTHERLAND: May I ask the Prime Minister whether any statement made on the floor of this House regarding Mr. Preston has been refuted by either the right hon. gentleman himself or any of his supporters?

Mr. MACKENZIE KING: Well, my hon. friend has been the greatest hero of the lot, because he of all talked most about Mr. Preston; he said nothing concerning the representations of the report Mr. Preston has made. He will have a chance to meet Mr. Preston before this committee—

Mr. SUTHERLAND: That is not an answer to the question I put to the Prime Minister.

Mr. MACKENZIE KING: Well, as to what my hon. friend has said, I would certainly think it was very wide of the mark. However, the point I wish to make clear is this: what hon. gentlemen opposite have been attacking, is not this contract, they have been attacking Mr. Preston; they have been attacking Sir William Petersen; they have in addition been attacking all kinds of imaginary things, but they have not touched the essential features of the contract itself, nor have they sought to make clear to hon. members of the House the purpose which that contract is really intended to serve.

Mr. LADNER: Mr. Speaker, if the Prime Minister will permit—

Some hon. MEMBERS: Order.

Mr. LADNER: This is a proper question I am putting, and a fair one. The Prime Minister has repeated time and again that members in this part of the House did not comment upon or discuss the agreement. So far as my humble little contribution to the debate was concerned I discussed nothing else—

Some hon. MEMBERS: Order.

Mr. LADNER: —and I wish to ask the Prime Minister if he is not mistaken. Will he not be fair and agree that he was mistaken in that comment?

Mr. MACKENZIE KING: I am very sorry if I missed the significance of my hon. friend's contribution. I admit that it was a humble one, and I am only too ready if he so desires, to say that his remarks were confined to comments on the contract. But I think I will be able to show as I proceed that in their bearing they were so far astray as really not to be vital to the debate one way or the other.

May I now, Mr. Speaker, answer the question: Why has the government taken the course it has?—What has been the genesis of the contract that the government has entered into? First of all I would point out that this subject has been one of the most important subjects before this country not during the last two or three years only but during the last ten or fifteen years, at least. The matter of high ocean rates has been the subject of investigation by royal commissions in this country and in the Old Country, by special commissions and special committees. I shall not go over their findings in detail, but I will refer hon. members to the following important documents which will show whether or not there is reason for believing that a combine does exist on the Atlantic for the purpose of controlling rates and keeping them at an unduly high figure. There was a royal commission on Shipping Rings appointed by the British government in 1906, which made its report in 1909. There was the Dominions

Royal Commission appointed pursuant to a resolution proposed by Sir Wilfrid Laurier at the Imperial conference in 1911 and unanimously adopted. That commission was appointed on April 15, 1912, and reported finally on February 21, 1917. In 1913 the hon. member for West York (Sir Henry Drayton), at that time chairman of the railway commission, was appointed by Sir Robert Borden's government to investigate ocean freight rates, and he made a report on October 18, 1913. If there was nothing to investigate, why did Sir Robert Borden appoint my hon. friend, choosing him because as chairman of the railway commission he had special knowledge of the conditions affecting transportation? In June, 1920, an Imperial Shipping committee was appointed by the British government by virtue of a resolution of the Imperial War conference of 1918. This committee is still in existence and has made reports on various phases of shipping within the empire. During the last year it held sittings in this country through the medium of a subsidiary committee. Then there was the special committee of this House of Commons to inquire into agricultural conditions, appointed on February 28, 1923. This committee submitted seven reports to the House, those concerned with ocean freight rates being the fourth report, submitted on April 23, 1923, and the fifth report, submitted on June 18, 1923.

I have in my hand the report prepared by my hon. friend from West York (Sir Henry Drayton). That report was made as far back as 1913, and I find in it this statement:

> The Canadian exporter, by reason of the fact that, speaking in a general sense, nearly all the country's exports have a low value in proportion to the space occupied, and a comparatively low value in relation to the cost of transportation, is peculiarly affected by any increases in the cost of transportation, so that it becomes a matter of prime importance to keep such costs to a reasonable rate.

Then at page 8 I find this:

> I have no doubt, however, that on articles sold on the Canadian market by the British exporter in close competition with exporters in other countries, the increases in rates of recent years has a detrimental and injurious effect on the traffic, and may account in part for the falling ratio of British exports.

So, away back in 1913 my hon. friend from West York opposite reported to the government of that day an increase of rates on the Atlantic ocean which he believed was having an "injurious effect" upon exports. I will show that the view which my hon. friend then took is the view which has been consistently taken by all who have made careful inquiry from that day down to the present time. The only difference is that hon. gentlemen opposite have done nothing, whereas this government has attempted to grapple with the problem.

May I make this reference to Mr. Preston's report? When my right hon. friend (Mr. Meighen) received a communication from Sir George Perley, High Commissioner for Canada in London, in January, 1921, drawing his attention to Sir Robert Borden's efforts to have ocean rates investigated, and telling my right hon. friend that he thought the matter should be investigated, there was in connection with that letter an intimation that if any success were to attend the investigation it was desirable to have someone prepare the Canadian case with a view to assisting in its presentation, in association with Sir George Perley, before the Imperial Shipping committee. What did my right hon. friend do? He appointed someone. He appointed Professor Magill, just exactly as we appointed Mr. Preston, to gather information in regard to Canada's case. But here is the difference. My right hon. friend said to me the other day that that report of Mr. Magill must be in the department.

Mr. MEIGHEN: No, I did not.

Mr. MACKENZIE KING: My right hon. friend says he did not?

Mr. MEIGHEN: I did not.

Mr. MACKENZIE KING: If he looks at Hansard, he will see he did.

Mr. MEIGHEN: We will just clash right there. I said Mr. Magill's reply should be in the department. I did not say he ever made a report.

Mr. MACKENZIE KING: My hon. friend is at his old tricks again—his "reply" he says, and everybody assumed the reply was the expected report. What was it Mr. Magill was asked to do? He was asked to prepare Canada's case. And when we began to look for the reply, there was no reply. When we telegraphed to Mr. Magill, he told us he never made any report; he did not go into the subject at all. My right hon. friend might have told the House, instead of saying that Mr. Magill's reply was in the department, that he never made any report. That would have been better than saying the reply was in the department, when the reply was to that effect. As a matter of fact, there was no reply. But with respect to Mr. Magill my right hon. friend did exactly what we did in appointing Mr. Preston. He appointed a gentleman for the express purpose of gathering information that would be of service to the government when they attempted to deal with the

situation. The difference between his administration and ours is that there he left the matter, he did not pursue it a step further, for reasons best known to himself; but this government took care to bring into the House of Commons, apart altogether from Mr. Preston's report, a concrete proposal, and we intend to see that both are submitted to the special committee which will be appointed to look into this matter.

But to go on with the report that was made in 1913 by my hon. friend from West York. He says:

> The demand for investigation made by the Canadian government and acceded to as above noted by the Imperial authorities, is therefore justified by the exigencies of the traffic moving in either direction.

And he concludes:

> This affirmation—

He is referring here to something that was stated earlier:

> This affirmation by a member of the Conference of a condition under which the business of any given importer could, at any time, perhaps by the carrier's whim, lack of information, or desire for an excessive return, be at least temporarily extinguished, would appear of itself to call for the fullest investigation.

In other words, the hon. member for West York found in 1913 a condition whereby producers and other exporters in this country might have their business extinguished at the whim or caprice of the organization controlling affairs on the Atlantic at that time, and he said very properly that such a condition demanded investigation. Is not that in itself sufficient ground for a step such as the government has taken at this time.

But the real basis for the government's action in this matter was the report made by a select committee of this House, the report of the committee on Agricultural Conditions of which the hon. member for Brome (Mr. McMaster) was chairman, and which report was brought to this House and adopted unanimously, adopted by hon. gentlemen opposite; and this report found as a fact that there was a north Atlantic combine.

Mr. STANSELL: Did that Agricultural Conditions committee in its report suggest that further work along this line should be undertaken by Mr. Preston?

Mr. MACKENZIE KING: There is my hon. friend trying again to get back to Mr. Preston. The country is not interested in Mr. Preston beyond knowing the extent to which the representations which he has made are true, and they will get that information when the special committee of the House meets and takes these matters under consideration.

Mr. STANSELL: Did not that report suggest the appointment of a special committee to pursue their investigations further?

Mr. MACKENZIE KING: Yes, I think it did, but at the same time I think it made a specific recommendation of its own. It evidently felt the matter was very important, and that too many committees could not be engaged on it. I have here the fourth report of the Agricultural Conditions committee, which was submitted on April 23, 1923:

> Your committee are of the opinion that upon the regular steamship lines trading from Canadian ports the price of transportation service is determined neither by the law of supply and demand, nor on the basis of cost plus a reasonable profit, but that a combine exists among the various shipping companies, which combine is known as the North Atlantic and United Kingdom Conference Eastward-bound.

Now, that is not Mr. Preston; that is a committee of this House composed of hon. members of this House who held an inquiry under oath and who found that a combine existed. It was on the strength of that report that the government proceeded; and it is by virtue of that report, amongst other documents to which I shall refer later that the government has taken the action which it has seen fit to take in this matter. Elsewhere in the same report I find this:

> To this North Atlantic conference belong nearly all, if not all, of the regular steamship lines running from Montreal, including the Canadian Government Merchant Marine. Subsidiary to this Conference there exists a smaller association of steamship men connected with steamship lines trading out of Montreal. This association is called sometimes The Canadian Liner Committee. The lines or transportation companies constituting the association are as follows:
>
> Cunard, Anchor Donaldson and Thomson Lines; Canadian Pacific Ocean Services, Ltd., White Star Dominion Line; Intercontinental Transports, Ltd. (with which certain vessels of the Canadian Steamship Lines, Ltd., are associated); Furness Withy Company, McLean, Kennedy and Company; and the Canadian Government Merchant Marine, Limited.

The report goes on to show how this Liner committee operates. Perhaps I had better read the paragraph:

> The general rates were set at the North Atlantic and United Kingdom Conference in New York:

At this point, Mr. Speaker, may I stop to say just a word. My hon. friends opposite when it comes to labour problems, are very strong in urging that these international unions which have their headquarters in the United States should not be permitted to operate in Canada. Over and over again they have made the statement that it was an outrageous thing that Canadian labour should be associated in any way with American labour and that we should be subject to the dictation of American

unions in connection with our industrial affairs. Well, here in regard to the whole shipping business of this country entering into competition with the United States a select committee of this House has found that the rates are fixed in New York.

Mr. BRISTOL: Is not the most central point the natural place for a committee controlling the shipping operating in all parts of the Atlantic?

Mr. MACKENZIE KING: My hon. friend has admitted the whole case. He says there is a committee operating over the whole of the Atlantic and that New York is the natural place for it to meet. Does the House wish anything more? My hon. friend (Mr. Bristol) —who knows pretty intimately, I think he will admit, the workings of the steamship companies, has told the House that there is a conference that operates on the Atlantic, and it is a world-wide conference.

Mr. BRISTOL: Is it not a natural place for it to be? Would you have it in Montreal?

Mr. MACKENZIE KING: No, all I am anxious to point out to the House is that we have been contending, and hon. gentlemen opposite have been disputing our contention, that there is a conference that controls ocean rates—that the whole of the cattle and other trade from this country is subject to the action of that conference—and it is in order to take away from that world-wide combine with headquarters at New York the determining of the rates that shall be paid for ocean transport that we propose to take a step which will at least ensure that so far as that part of the trade between this country and the Old Country is concerned it shall be subject not to the control of New York but to the control of the government of Canada. There is the whole purpose of the government's proposal. The alternative is perfectly plain. After what my hon. friend has just said, no hon. member of this House can plead any ignorance whatever of the situation. It has been admitted here this afternoon that there is a world-wide conference controlling rates on the ocean, and that those rates are controlled from the city of New York. The hon. gentleman (Mr. Bristol) has admitted that Canada is subject to rates fixed in New York in that way. Now, the House can rest content with that state of affairs, or it can seek to have the control of ocean rates vested in the government of Canada so that in regard to the export trade of this country the determination of rates—whether it refers to matters great or matters small—shall not be left to the United States but shall be left to the representatives of the Canadian people themselves or persons authorized by them to act in their name.

Mr. BRISTOL: Is it the right hon. gentleman's idea that the Canadian Pacific and the Canadian Government Merchant Marine, who are members of this conference are American bodies? In view of the fact that the government merchant marine has been a member of the conference right up to the present time why have you not obtained a report from its management during the last three or four years so that you might see what kind of a robber that marine has been, that is if you say the members of the conference are robbers?

Mr. MACKENZIE KING: I do not think that my hon. friend's latest remark in any way affects the force of the statements I have made.

Mr. BRISTOL: You are forced to trust to the use of our own merchant marine.

Mr. MACKENZIE KING: I will touch upon the merchant marine a little later. In reference to this point all I want to make clear now—so that hon. members will appreciate the fact as they consider the wisdom of the step the government has taken—is that a committee of this House has already found and reported to the House the facts. It has arrived at the following finding, and I am quoting from the report of the special committee itself:

5 p.m.

> The general rates were set at the North Atlantic and United Kingdom Conference in New York, but for the purpose of united action in regard to these and other matters, a weekly meeting was held, at which representatives of all the steamship lines attended. At this meeting, rates were agreed upon, and no member of the line had the right to depart from the rates so established without conferring with and warning its competitors of his intention so to do. An earnestly worded expostulation would be directed by one member to another if this line of conduct was not followed.
>
> This state of affairs brought about the following extraordinary result. The government of the United States forced the shipping board of that country which manages the United States governmentally-owned steamers, to make a very low rate for the transportation of flour to Europe—a rate stated by the shipping companies to be below a commercial rate.

Mr. SUTHERLAND: Hear, hear.

Mr. MACKENZIE KING:

> This rate applied only to flour ground in the United States. To meet this rate, the North Atlantic Conference lines established, at a given moment, a rate of fifteen cents per hundred pounds on flour ground in the United States, while they maintained a rate of nineteen cents per one hundred pounds on Canadian flour—a very substantial differential against our Canadian millers.

Mr. MACKENZIE KING: Why does my hon. friend not now say hear, hear?

Mr. SUTHERLAND: The United States government forced their own boats to give this special rate to United States shippers.

Mr. MACKENZIE KING:

To this agreement as a member of the North Atlantic Conference, the Canadian Merchant Marine was a party.

Now what is the statement made there? That the United States government itself found it necessary to take action against this combine in regard to its own vessels, and the action which was taken affected the price of flour so far as the United States shipper was concerned. What affect did it have so far as Canada is concerned? It left Canadian millers at a disadvantage in regard to shipments to the Old Country. How great that disadvantage was I shall have occasion to show before proceeding very much farther. Take a further statement:

Evidence was produced showing that since the commencement of the war, ocean rates on cattle had increased by 300 per cent, while the price of beef in the British market had only increased 66 per cent during the same period.

Is that not a fact of which this House should take cognizance?

Mr. MEIGHEN: Is that out of the committee's report?

Mr. MACKENZIE KING: That is part of the report of the committee of which my right hon. friend, along with other members of this House approved.

Now there was a fifth report, and it is on these reports that the government's action has been based—not on any report by Mr. Preston, but on reports made by a select committee of this House. On Monday June 18, 1923, the select committee appointed to inquire into agricultural conditions presented their fifth report. Here is the first paragraph of it:

The special committee appointed to inquire into agricultural conditions beg leave to present the following as their fifth report:

Ocean freight rates

In their fourth interim report, your committee dealt with the question of ocean freight rates, the control of the rates charged by liners trading out of eastern Canadian ports by the North Atlantic and U.K. Conference, eastward bound, and the operations of the Canadian liner committee, sometimes called the weekly liner committee.

In view of the paramount importance of this subject and of statements made in the press and elsewhere concerning the findings of your committee, we feel that the matter merits further attention.

This is the paragraph that follows:

That the transportation business, as far as concerns ocean liners is very largely in the hands of rings or conferences is a matter which admits of no possible successful contradiction.

There is the finding of this special committee that made a further investigation into the question of high ocean rates, and it states in language as emphatic as it is possible to put into a report that the transportation business as far as the ocean liners are concerned centres very largely in the hands of rings or conferences. That is a matter which admits of no possible successful contradiction. I might read other parts of the report but it would only be in corroboration of the quotations which I have just given.

Mr. SUTHERLAND: Will the Prime Minister read the recommendations contained in the seventh and final report of the committee?

Mr. MACKENZIE KING: Well, my hon. friend—

Mr. SUTHERLAND: The report which the Prime Minister is quoting, to my knowledge, was never submitted to the committee at all.

Mr. MACKENZIE KING: My hon. friend may read anything he wishes to the House, but he will perhaps permit me to conclude what I was reading. On page 17 of the report there are quotations from the report of the inquiry of the Dominions Royal Commission which, of course, took place many years ago. These statements all go to substantiate the fact that the condition with respect to the control of ocean rates by these shipping rings found here to-day is a condition which existed many years ago. Then the report says:

In spite of the lengthy investigations held into this subject—

And this is interesting in connection with the matter now before the House; this is at page 19,—

—no definite government action either on the part of the British authorities or on the part of the Canadian authorities has yet been taken.

A suggestion is made—I think it is a very wise one and this might be as appropriate a time as any to point it out—in connection with the amendment that has been moved that this control should be by all parts of the empire working together, that if a control of all these ocean rings is to be completely effective, something even larger than the bringing together of the different parts of the British Empire is necessary. As a matter of fact, it will take something in the nature of international control, joint action on the part of all countries in the world interested in shipping, to effect complete control. That day may be far distant; but if

there is to be effective control, that will probably be the only means whereby it will be ultimately attained. Mr. Lubin, President of the Agricultural Institute at Rome, I think, made the suggestion in connection with the grain and cattle trade, that there should be some method of effecting international control. I venture to suggest that this is a subject which the League of Nations might well take up, and see if it is not possible, through the instrumentality of the League to bring together the different countries of the world in an effort to effect some kind of international control of ocean rates. But these are things that will take many years to accomplish. In the meantime, one step that will help to bring the matter prominently to the fore, as it is being brought prominently to the fore in the world to-day as a result of the action which this government is taking, is to proceed in a concrete manner with some step which will demonstrate whether the allegations that have been made with respect to high ocean rates are or are not correct.

Then the committee found as follows:

> Your committee, in view of the foregoing and of the evidence adduced before them and referred to in a previous interim report, are of the opinion that action is desirable to control shipping rings or conferences.

That is precisely what the government is now attempting. It is attempting to carry out the finding of a committee of this House to the effect that action is necessary to control these ocean rates. The step which this government is now taking in this connection is not the first one. The government has grappled with this problem from the start, and it has attempted different means of bringing about the control which the committee placed upon it as an obligation to be met. One of the steps of which no mention thus far has been made was a step taken by my hon. colleague, the Minister of Trade and Commerce (Mr. Low), who himself went to Montreal, asked the shipping companies to meet him there, and asked these shipping companies if they would not co-operate with the government of Canada in an effort to bring down ocean rates with respect to shipments of cattle to the Old Country, that being one of the foremost of the commodities of our country for which since the removal of the embargo we had a new and important market. He asked if they would not co-operate with the government in seeking to gain for the farming community of this country the market which properly belongs to Canada in Great Britain. But my hon. friend got little in the way of encouragement from the shipping companies. I have in my hand, from amongst the papers that have been laid on the table of the House, copies of letters which passed between the Minister of Trade and Commerce and the shipping companies with respect to the interviews which he had at that time. This was in March, 1924. Let me read this letter:

> White Star Dominion Line
> Office of the Manager,
> Montreal, February 21, 1924.
>
> The Honourable Mr. T. A. Low,
> Minister of Trade and Commerce,
> Ottawa, Ont.
>
> Dear Sir:
>
> Referring to your conversation with the writer in regard to the ocean freight rate on cattle and the desire of your department to assist the farmers.
>
> The question was fully discussed yesterday afternoon at a meeting of all the Canadian lines who operate vessels built to carry cattle; but the unanimous decision was that with the present rate the cattle business is not sufficiently remunerative to attract additional tonnage, and any reduction would mean increased losses and curtailment of sailings.

The last paragraph reads:

> We are most anxious to do everything possible to assist the cattle trade in Canada, and consider that the government would be well advised to encourage farmers to raise cattle more extensively; but we very much regret that we cannot see our way to make any further reduction in the ocean rate, which in 1921 was $45, and is now $20 per head.
>
> Yours very truly,
>
> P. A. CURRY,
> Manager.

They did not state that at one time the rate was $7 per head. But the Minister of Trade and Commerce did not let matters drop there. On February 29, 1924, he sent the following communication to Mr. Curry:

> Dear Mr. CURRY:
>
> I acknowledge receipt of your letter of the 21st instant and regret that you have not been able to see your way clear to meet the government in this matter which we had under discussion during my recent trip to Montreal.
>
> I am anxious to have another meeting with you and other prominent shippers before we decide on any other line of action from the government point of view.

I want hon. members to see the significance of that statement. The Minister of Trade and Commerce proceeded on two occasions to Montreal to discuss with the shipping companies some means of getting better rates across the ocean for Canadian cattle into the British market, believing that the Canadian cattle industry is one of the most important of the industries in Canada and one which this government had a special reason for seeking to develop, in view of the fact, that we, at least, were successful in having the embargo against Canadian cattle removed. My hon. friend went on these two occasions, but on neither of them was he able to get any successful accom-

modation on the part of the shipping interests. Mr. Low said:

I am anxious to have another meeting with you and other prominent shippers before we decide on any other line of action from the government point of view. I would be glad to go to Montreal but as this is a very busy time for us with the session on, I would like to know if you could possibly come to Ottawa to see me some day next week. I would be very glad if you would advise me of the same and also whether some of the other shippers could join you. We are anxious to have another discussion of the situation before deciding on our definite line of action.

Yours very truly,
THOS. A. LOW.

The correspondence goes on to indicate that Mr. Curry said he thought it would be well to have a representative, to quote his words, "from every Canadian line interested in the cattle movement," meet with Mr. Low. Mr. Low approved that and intimated that he thought, seeing they were all coming together, it would be better for him to go to Montreal and meet them there. He went to Montreal, and I have a letter here dated March 15 from Mr. Curry to Mr. Low which reads:

I have to thank you for your letter of the 12th instant, and greatly appreciate your offer to come to Montreal to meet the representatives of the cattle lines, and we will be very pleased to see you at any time on Wednesday, March 19, that is convenient to you.

The following gentlemen will probably attend the meeting: Mr. W. A. Coates, The Robt. Reford Co., Ltd. (Cunard-Donaldson Lines), Mr. J. W. Nicoll, Furness, Withy & Co., Ltd. Mr. J. P. Doherty, Canadian Government Merchant Marine. Mr. P. A. Curry, White Star-Dominion Line. . . .

I am told that Mr. Gear also attended this meeting.

Mr. CRERAR: This was a year ago.

Mr. MACKENZIE KING: Yes, March of last year. It was because the government found it impossible to get the co-operation of our own Canadian ship owners in its effort to reduce rates on the Atlantic for cattle, that we took the further step we have taken of seeing if we could not find some company elsewhere that would be prepared to co-operate to that end. We were ready to do for these other companies what we are now proposing to do for the Petersen Company, but these gentlemen were unwilling to meet us in that connection.

Mr. MEIGHEN: Will the Prime Minister say that a similar offer was made to them?

Mr. MACKENZIE KING: I cannot say offhand at the moment what particular offer was made, but I know the minister went prepared to make a very generous offer. He could inform the House better than I could as to the nature of it. But the reply that was received gave us reason to believe that the shipping interests were not prepared to consider any offer.

Mr. MEIGHEN: The Prime Minister referred to the Preston report. I hope I do not offend him in referring to it. The suggestion was to pay a share of the cost of the shipments.

Mr. MACKENZIE KING: I think the nature of the offer made to the shipping interests was that the government would be prepared to consider a certain payment, in the way of consideration to the companies, if they would fix a price of which the government would approve. If they did that consideration was to be given. And that is the nature of the arrangement we have made with the Petersen company.

Mr. MEIGHEN: No.

Mr. MACKENZIE KING: I beg my hon. friend's pardon. We have agreed with the Petersen Company that if they will carry cattle, let us say, at a rate which we shall fix they will get the subsidy, and if they do not they shall not receive it. Let the House understand the proposition. What this government has offered to the Petersen Company, and what under this contract the company have agreed to accept, is that the Canadian government shall fix a rate at which cattle are to be carried from all parts of Canada to Great Britain. The company agree to carry cattle, we shall say, at a rate this government will establish.

An hon. MEMBER: No.

Mr. MACKENZIE KING: Did someone say no?

Mr. RYCKMAN: Yes; I say no.

Mr. MACKENZIE KING: Will the hon. gentleman give us his reason.

Mr. RYCKMAN: The contract does not oblige the Petersen Company to carry.

Mr. MACKENZIE KING: I do not know what my hon. friend can be talking about; the whole business depends upon the carrying. Sir William Petersen does not get a five cent piece unless he carries.

Mr. RYCKMAN: The contract does not say so. If the Prime Minister will read it he will find, I submit, that the contract gives Sir William Petersen the control of ocean rates. If I cannot prove that I am willing to accept whatever the right hon. gentleman says.

Mr. MACKENZIE KING: If my hon. friend is driven to that point to attack the contract he has got to the last resort.

Mr. RYCKMAN: In the last resort, I say, Sir William Petersen controls the rates.

Mr. MACKENZIE KING: Let me in the name of the government definitely state the position. I desire to make it perfectly clear so that there can be no misunderstanding. If this contract does not mean that the government of Canada shall fix the rates, then the government of Canada will have nothing to do with it. My hon. friend's interruption is all beside the mark. What the government purposes to do, once the ships are built, is to tell Sir William Petersen the rate at which he is expected to carry cattle from Canadian ports to the ports of Great Britain. If he carries at that rate he will be paid to the extent provided for in the agreement; but if he does not perform that service he will not be entitled to a five cent piece nor will he get so much as a five cent piece. Can anything be plainer than that?

Mr. RYCKMAN: But the agreement does not say so.

Mr. MACKENZIE KING: If it will help my hon. friend at all for me to say so, I may tell him that it does not matter one whit whether the agreement as drafted does or does not say so; what does matter is that the position of the government is precisely as I have stated it and will be so shown before the committee, otherwise to give it effect, the agreement will have to be amended. But I contend that the agreement does provide what I have said; that is the purpose of the contract. Let me read paragraph (d) of section 1:

> That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix such transportation rates on all commodities from time to time.

Where does Sir William Petersen get the control of the rates there?

Mr. McTAGGART: Will not the Petersen Company be expected to pay a satisfactory dividend on its invested capital? If so, would that factor have a tendency to interfere with the effective control as indicated in the contract?

Mr. MACKENZIE KING: That is absolutely beside the mark. So far as this government is concerned, we do not care whether the Petersen Company pays a dividend or not; what we are concerned about is to see that the company shall carry out its contract. The agreement is that, for the consideration we are to give Sir William Petersen, he is prepared to let us fix the rate at which commodities are to be carried. Let me point out that this contract has been drawn up by as able a counsel as can be found in the Dominion of Canada; I think that Mr. Lafleur's name commands a position in the legal profession in this country second to none.

Mr. CHAPLIN: Was he acting for Canada or for Petersen?

Mr. MACKENZIE KING: He was acting for the Dominion of Canada. He was retained by the government and instructed to prepare a contract which should place no liability on the government of this country, in the event of the service which it calls for not being adequately performed.

Mr. BOYS: Was he told to relieve Sir William Petersen too of liability?

Mr. MACKENZIE KING: Does my hon. friend think that the government would have suggested such a thing to him? Would the hon. gentleman himself have made such a suggestion?

Mr. BOYS: I cannot gather from the right hon. gentleman's remarks what he has in mind; but I say most emphatically, and I am satisfied that he will agree with me, that Sir William Petersen will not remain responsible under this contract. And the Minister of Trade and Commerce (Mr. Low) did say, in reply to a question I put to him, that he considered that feature vital. I venture to say that no one who has any knowledge of law, or who appreciates the effect of clause 1, will say that Sir William Petersen will remain responsible under any covenant he gives in the first instance.

Mr. MACKENZIE KING: That is my hon. friend's view, but he will find that he is mistaken.

Mr. BOYS: I would ask another question. Do I understand the right hon. gentleman to say that he contends otherwise? To make it plain, does he contend that, under clause 1, when the proposed company is formed Sir William Petersen may not be relieved of his covenant, or of all covenants, for that matter?

Mr. MACKENZIE KING: My hon. friend will have a chance to examine Sir William Petersen when he is before the committee.

Mr. BOYS: But I—

Some hon. MEMBERS: Order.

Mr. BOYS: Let us be reasonable. The Prime Minister and other hon. gentlemen have suggested that this is one of the most important matters that this parliament has dealt with. Surely, then, it is reasonable that a member of this House should ask the leader of the government whether or not he does contend that Sir William Petersen will be responsible under the contract. Does the Prime Minister say that when the company is formed and Sir William Petersen's contract is superseded by one with a new concern, Sir William Petersen will not be totally relieved of every covenant in the agreement?

Mr. MACKENZIE KING: My understanding is that he will be responsible.

Mr. MACDONALD (Pictou): And Mr. Lafleur so advised.

Mr. MACKENZIE KING: Yes; Mr. Lafleur so advised. But apart from that altogether, let us assume that what my hon. friend says is correct. If Sir William Petersen were to get out of the contract and some other company should take it over, not a single dollar of the money of the Canadian people will go to anyone until the service is performed in accordance with the contract. That is the vital point. If Sir William Petersen makes an arrangement with some company to take over the contract, as I presume he may do, if he is a wise man, seeing that he may not live out the period of ten years, the fact remains that the contract calls for a certain class of ships and for a regular service to be rendered from Canadian ports, continuous and at certain rates to be fixed by the government. No payment will therefore be made until that service is performed. What difference does it make whether some other company takes over the contract or whether Sir William Petersen personally carries it out?

Mr. BOYS. Does the Prime Minister want an answer?

Mr. MACKENZIE KING: My hon. friend has not spoken yet and he will get his opportunity.

Mr. BOYS: If the right hon. gentleman—

Some hon. MEMBERS: Order.

Mr. BOYS: If the Prime Minister says that he does not want to be asked questions I certainly will not ask him any.

Mr. MACKENZIE KING: I am glad to have questions asked.

Mr. BOYS: That is all I am doing.

[Mr. Boys.]

Mr. VIEN: Don't make speeches.

Mr. BOYS: I simply want to know whether the government places any reliance on the financial standing of Sir William Petersen. If it does, surely in the event of his being relieved of the contract it would be a matter of consequence whether the succeeding company were financially sound or not.

Mr. MACKENZIE KING: So far as the government is concerned, may I say that in this whole matter we have taken into consideration the circumstance that not a dollar of public money will be paid out of the treasury until service is performed in accordance with the terms of the contract which has been entered into with Sir William Petersen. The question whether Sir William himself or some company that may take over this contract from him will perform its terms is a secondary matter altogether. What I think this House and the Canadian public is interested in knowing is whether there will be liability so far as the government of Canada is concerned where the service has not been performed. Now, I wish to state emphatically in the name of the government that if this contract means in any particular that payments are to be made other than as service is performed, the government will not entertain the contract for an hour. The obligation is clear, it is there in black and white: What we are paying for is the right to control rates. Let us get down to a concrete case. We started, as I have been intimating, dealing with the question of rates on cattle. One of the last letters sent to Mr. Low, Minister of Trade and Commerce, was from Montreal on May 9, 1924. It says:

> Dear Mr. Low,—Referring to our conversation in this office on Wednesday last, the question of cattle rates has been given further careful consideration, but I regret to have to advise you that none of the lines owning vessels which carry cattle are prepared to make any reduction in the present ocean rate which, as you are aware, is $20 per head.
>
> Yours truly,
>
> P. A. CURRY,
> Manager,
> White Star Dominion Line.

Mr. Low replied on May 13, 1924, as follows:

> Dear Mr. CURRY: Acknowledging receipt of your letter of May 9, may I say that I greatly regret that your company and others have not been able to see their way clear to co-operate with the government in lowering the carrying rates on cattle.

That was all in May of last year. After that Mr. Low himself went to England and made inquiries to see if he could find a steamship company in the Old Land which was prepared to carry cattle at a lower rate for a consideration. My hon. friends want

to see how this contract was developed. There is the development of it. The government had made up its mind that it would, if possible, effect an arrangement whereby the cattle of this country could be transported to the British market at a lower carrying charge than was exacted by the steamship lines. We sought in every direction, and the outcome of that search—it was difficult—was the offer made by the Petersen company to undertake the work. May I say to hon. members that I discussed with Sir William Petersen very closely how he expected for the consideration which we were paying to be able to make this arrangement go. His reply to me at each stage was, "Mr. King, if I did not know the charges which are being made by this ocean combine at the present time I would hesitate to make an arrangement of the kind; but if you can tell me anything about ocean rates that I don't know, I will be glad to be told." In other words, Sir William Petersen believes that he can demonstrate not only to this country but to Great Britain and the world that he can let this government —I put it concretely—cut rates on cattle from $20 to $15 or even to $10 per head for the consideration that he is getting, and deliver those cattle in the markets of Great Britain. Now, is it worth while attempting that in the interests of the Canadian people?

What is the position? For thirty years or more our cattle have been shut out of the British market. Away back in the early nineties, through an alleged violation of some cattle diseases act, our cattle were excluded from that market. No one took very seriously the reason alleged viz., that Canadian cattle suffered from pleuro-pneumonia, or whatever the disease was. The measure was looked upon as disguised protection for the cattle interests of the Old Land. Government after government in this country from that date onward sought to have the embargo removed. The late government sought to have it removed. I do not wish to claim particular credit for this government, beyond drawing attention to the fact, that through the activity of Hon. Mr. Larkin, the High Commissioner, I believe more than anyone else, this government was able to bring about a change in the situation, and the British government did do away with the embargo on Canadian cattle. What did we find? Although we had secured the right to ship Canadian cattle to the British market, we found that rates being charged for ocean carriage were such that we did not begin to get the number of cattle across that we had every reason to expect would be exported. Having that market at our doors, this government has felt that it was worth to the cattle raisers of all provinces of this country payment of a very considerable sum to secure the British market for their cattle. In efforts in that direction my hon. friend (Mr. Low) was seeking to make an arrangement with the shipping companies of Montreal by which it would be worth their while to carry cattle at a lower rate. Finding it impossible to make that arrangement, he went to England and while there secured a conference with the Petersen concern and made the proposal which as developed is as now formulated in the contract before parliament for consideration.

I hope, Mr. Speaker, that I have at least made clear the genesis of this matter, I hope I have shown the House that the Preston report was in no way the basis of the agreement made with the Petersen line; but was rather the assembling of material intended to be of service when the matter came up for discussion; and that the actual contract itself was based on findings of a committee of this House and on the needs of the situation as they have been pressed on the government from every direction.

May I now say a word about the representations that have been made to this and preceding governments on the question of ocean rates? While I have spoken more particularly of cattle, ocean rates affect the chances of export of every single commodity produced or manufactured in Canada. There is not an interest of any size in this country, I venture to say, whether it be the cattle raising interest, the grain producing interest, the milling interest, the lumbering interest, the dairying interest, the fruit and vegetable growing interest, the manufacturing interests or producers or consumers generally, importers and exporters of packages and the like, that has not been making protests year after year to the government of Canada about the way in which business has been held up through the high rates charged on the Atlantic. If the House will give me the time, I purpose to put on the records to-night some of these representations, and the point to which I wish to direct the attention of the House before I place them on Hansard is that in virtually every one of the communications, language is used to the effect that unless these ocean rates can be reduced our export business is going to be thwarted and the industries themselves strangled as a consequence. My right hon. friend talks about unemployment, about industries closing down, about men walking the streets,—let him read these documents of which the departments are full, and

many of which have been laid on the table, and he will find that interest after interest of the classes I have mentioned have been representing to the government that their whole export business, through the differentials given on the Atlantic is threatened with extinction. In other words, every one of them has made representations to the effect that the rates from New York to British ports are so much lower than those from Canadian ports, that there is no hope of their being able to export through Canadian ports. They have directed the attention of the preceding government and of the present government over and over again to these excessive rates which are threatening the existence of the country's export business.

I would ask hon. members to look at the correspondence that was tabled the other day between the government of Canada and the British government in regard to the subject of ocean rates, especially in relation to the Imperial Shipping committee—correspondence that was brought down at the request of my right hon. friend (Mr. Meighen). The first letter is signed by Sir George H. Perley, who at the time was High Commissioner in London. It reads in part as follows:

London, S.W., 4th January, 1921.

Dear Mr. Meighen,—You will remember that during the past ten years the question of ocean freight rates has been discussed many times, as they often seemed higher than was reasonable, and some of us thought that a way might be found for controlling them by a body similar to our railway commission. I am sure that you have been approached many times on the subject and I had occasion to look into it a good deal when carrying on the Trade and Commerce department in Ottawa in Sir George Foster's absence. Not long after we came into power, while Acting Prime Minister, I arranged with Sir Henry Drayton to come over here and try and find out the feeling here on the subject. He came back not feeling very hopeful about the possibility of getting anything done in the direction of freight rate control but he will be able to tell you about this himself.

That was not the first trip of the hon. member for West York across to the other side in connection with this matter. He had gone over in 1913 and had tried to effect some measure of control; then apparently he was sent over in 1918, and, as Sir George Perley says, came back not feeling very hopeful.

Sir HENRY DRAYTON: I think my hon. friend is making a mistake there. I went over only once on that question.

Mr. MACKENZIE KING: I beg my hon. friend's pardon; I had assumed that Sir George Perley was Acting Prime Minister at the latter period.

Sir HENRY DRAYTON: I do not know as to that, but I was over only once.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: Then I retract what I said in that regard. At any rate, my hon. friend was over in 1913. Then Sir George Perley goes on:

Nothing was done about this question during the war but on April 29th, 1919, I received the following cable from Sir Thomas White who was then Acting Prime Minister:

"Canada much concerned about ocean freight rates—Inquire and cable whether British government would co-operate with Canada in giving effect to report of Royal Commission on Natural Resources, Trade and Legislation of certain portions empire as presented to Imperial parliament in March, 1917—this report finds that it is not desirable that operations of steamship companies carrying passengers and freight between Canada and England should remain longer without government supervision—most important to obtain official position of British authorities respecting matter."

This I at once communicated to the Colonial Secretary here and I spoke to Sir Robert Borden about it when I was in Paris a few days after receiving it. In the reply from the Colonial Office they drew attention to a despatch which had been sent to the Governor General on December 9th, 1918, and which contained suggestions for the constitution of an imperial investigation board for the purpose of reviewing questions relating to maritime transport and to the development of the sea communications of the empire.

Sir Robert Borden had evidently been giving the matter his careful consideration and in May, 1919, he prepared a memorandum "respecting necessary control of ocean freight rates and the disposition of available shipping," of which you will find a copy attached. This memorandum, which suggested in effect that the control of ocean rates and disposition of shipping should be placed in the hands of a commission, composed of representatives from the various parts of the Empire, was transmitted to Mr. Lloyd George and to the Prime Ministers of the other Dominions.

I need not read the whole of that communication. It is sufficient to say that first of all Sir Robert Borden, as Prime Minister, then Sir George Perley as Acting Prime Minister, then Sir Thomas White as Acting Prime Minister and afterwards the right hon. leader of the opposition, (Mr. Meighen) as Prime Minister—all four of them attempted to deal with this question, believing that the matter of high ocean rates was all important. The communication of Sir George Perley, concludes:

As such a large amount of tonnage is owned in these islands—

He was writing from London.

—they are perhaps naturally not very anxious about control of freight rates, and therefore, if you decide to bring the question before the committee, I do not think it possible to give too much time or attention to the preparaion of our case.

Yet what is the amendment that is moved by hon. gentlemen opposite? It is to do the very thing that Sir George Perley says he thinks will not meet with much response on the other side. In his communication to my right hon. friend himself Sir George Perley says:

As such a large amount of tonnage is owned in these islands they are perhaps naturally not very anxious about the control of freight rates.

Yet my hon. friend drafts an amendment suggesting that we should solve this question by referring it to a commission on the other side. If hon. members will look at the memorandum which was drafted by Sir Robert Borden they will find that the first paragraph is as follows:

As transportation between different portions of the British Empire must be carried on almost wholly by means of shipping the control of ocean freight rates and a just disposition of available shipping in the interests of the whole empire are vitally necessary.

These are emphatic words—"control of ocean freight rates . . . vitally necessary." That is what we believe; that is what we are seeking to bring about, and we are taking what we believe to be the only steps that can be taken to get results. Sir Robert says in paragraph 6:

In its broadest aspects the question thus presented must necessarily demand attentive, and perhaps prolonged, consideration for its permanent solution; but a temporary solution is urgently important, as beyond question the present situation has become critical and if uncontrolled it will probably lead to unfortunate and perhaps disastrous results.

There Sir Robert Borden gives his views to the British government, those views being communicated by Sir George Perley to the right hon. leader of the opposition. Sir Robert states that control is a vital necessity; that it may take a long time to bring about effective control but that some immediate step is necessary, otherwise the results may be disastrous. That is the exact position the government takes in this matter. We do not contemplate that the arrangement we have entered into with Sir William Petersen will effectively control the ocean rates for all time, but we do believe it is a necessary first step to bring about the kind of control which ultimately will be effective. We think it is at least a beginning, and a beginning in the right direction.

I shall not with respect to these communications take up the time of the House further than to read a letter which my right hon. friend himself wrote to Sir George Perley in acknowledgment of Sir George's communication. This letter is dated at Ottawa, February 16, 1921, and is as follows:

Dear Sir GEORGE PERLEY,—After consideration of your letter of January 4th we have decided that the question of the control of ocean freight rates should be placed before the Imperial Shipping Committee at an early date. We also agreed with your suggestion that the case from the Canadian view point should be carefully prepared, and Dr. Magill, of the Grain Exchange, Winnipeg, has been asked to undertake the task. As soon as his report and recommendations are received they will be considered and transmitted to you for your guidance.

Yours faithfully,

ARTHUR MEIGHEN.

The Hon Sir George H. Perley,
High Commissioner for Canada,
19 Victoria Street,
London, S.W.1,
England.

Then in writing Dr. Magill the right hon. gentleman says:

You will observe that the Canadian government have attached great importance to the desirability of securing, if feasible, some control of ocean freight rates.

Mr. MEIGHEN: Hear, hear.

Mr. MACKENZIE KING: And he asked Dr. Magill to make a report. My right hon. friend says "hear, hear." But what did he do? This letter was written in February, 1921, and month after month went by without any further attention being paid to the matter by my right hon. friend. He did not press Dr. Magill for his report; he never asked for any report. Moreover, my right hon. friend himself went to England that summer; he attended the meeting of the Imperial conference and he was right next door to where the Imperial Shipping committee was sitting. Does my right hon. friend tell this House that he made any effort to carry out what he was there suggesting might be done in the way of keeping down ocean rates? As a matter of fact my right hon. friend knows that after writing the letter to Dr. Magill he never gave the matter another thought; he let the shipping interests have free sway. So far as the needs of the public were concerned, the matter rested at the point indicated by the quotation which I have just read.

Now, may I point out that my right hon. friend received more representations than those I have mentioned—and I have quoted from his own colleagues, a pretty strong phalanx, if one stops to think of it: Sir Robert Borden, Sir Thomas White, Sir George Perley and Sir Henry Drayton, four of the best known names in our country, each of them Prime Minister or Acting Prime Minister in his day, each urging that some steps be taken to see that this matter was remedied. Then we have my right hon. friend's own name added to the list, and we find all of them declaring that this question of ocean rates was something that demanded the attention of the government, but all of them leaving the matter at that point. Now they suggest that we should settle this by referring the whole question to some conference that is to be held in Great Britain.

I mentioned a moment ago that apart from these reports there was hardly an important interest in this country that had not made representations to my hon. friends. I want to read one or two of such representations. They will be found in the correspondence tabled and printed, and I would ask hon. members to make a note of them. Take, for instance, this communication from the Dominion Millers' Association:

THE DOMINION MILLER'S ASSOCIATION,
1801 Royal Bank Building,
Toronto, Canada, October 5, 1920.

Right Hon. ARTHUR MEIGHEN,
Prime Minister,
Ottawa, Can.

Re High Ocean Freight Rates

Honourable Sir,—I hand you herewith a copy of the representations made by the millers who waited on you on the 26th of August last on the above subject. Also copies of the resolution and other representations forwarded you by other interested parties.

In this connection we beg to call your attention to the fact that on Saturday, the 2nd inst., we were quoted a rate of 45 cents per 100 pounds on flour from Boston to Rotterdam, while at the same time they asked us 65 cents per 100 pounds on flour from Montreal to United Kingdom ports.

From this it would appear that the same condition of affairs continues in force as existed in 1914.

The point I want to bring to the attention of the House is this. The Dominion Millers' Association of Canada drew attention in 1914 to the fact that the rates at which flour was being shipped from New York to Europe were so favourable to New York as compared with the rates from Canadian ports, that the Canadian millers were finding it almost impossible to ship flour to Europe at all. Now the seriousness of that situation, as I gather it from the correspondence, and as hon. members who are in the milling and farming industries will realize more fully, is that as the milling industry in Canada suffered, so other industries suffered with and because of it. On account of the lower rate of shipment from New York to Europe, our grain was going across to American mills and being ground by American mills, and then shipped as flour to England from the United States. Instead of our millers receiving the business of grinding our own grain, on account of this preference given to American ports by the combine, the grain of Canada was going to help build up the industries, the mills and the railways and shipping concerns, of the United States. Now the serious part of that, when one studies the question further, is this: As hon. members of rural communities know, the offal which comes from milling is needed to further other industries in our country, the dairying industry, for instance; and when those in the dairying industry were not receiving what they hoped to be able to receive, that industry in its turn began to suffer. I need not point out that as one big industry after another in Canada suffers, so the great body of the Canadian public suffers through lack of purchasing power that otherwise would have been available for the commodities which they produce or manufacture. These representations of the millers were made at different times, by different interests, by the Live Stock branch, by the United Farmers' Co-operative Company, Limited, by Le Comptor Co-operative de Montreal, and the National Dairy Council; all these made their representations setting forth the seriousness of allowing these shipments to go by way of New York, not merely to the Prime Minister, but to a committee of the cabinet, at which most of the members I think were present. Take the representations of the millers. Here is their first statement:

When Sir Henry Drayton about 1913, was appointed by the government to investigate the combine called the North Atlantic Conference, which controlled all freight rates from Atlantic ports to Europe, a significant clause in his report was that the combine has power to make such rates "as will extinguish the traffic".

They go on to say that the advance in ocean freight rates made by the combine was such that the Ontario Associated Boards of Trade at their Annual meeting in Toronto on February 25, 1913, passed a resolution as follows:

That the Ontario Associated Boards of Trade, in annual meeting assembled, strongly urge the government to immediately establish a line of ocean freight steamers, or to take such other steps that will prove immediately effective to relieve the producer and consumer in Canada from the exactions of the ocean freight rate combine.

That resolution was carried unanimously. Then they go on to make this significant statement:

The reason representatives of the farmers joined the delegation in 1914, was that mill offals are a very important factor in their feeding operations.

As the average quantity of bran and shorts made from flour shipped for export during the past five years, totalled over 323,500 tons yearly, you can see what a very serious loss this would mean to the dairymen and stock feeders if the export of flour were cut off, as must result if wheat is carried lower than flour.

They also speak of the effect of these rates on prices to consumers and on other industries in Canada. Then they make this important statement:

This could be best accomplished by carrying flour for export at the same rate of freight as wheat, thus giving to the Canadian taxpayer all the benefits accruing therefrom instead of the British taxpayer getting all these benefits and the ocean combine crushing out of existence, one of Canada's basic industries, in which over $100,000,000 is invested, not to mention the effect on the dairying and live stock feeders and other allied interests.

I have read that paragraph because of the words "crushing out of existence one of Canada's basic industries." These men who are intimately associated with that industry believed that such was the effect of these preferential rates given to commodities being shipped by way of American ports.

I could quote from the representations of the Department of Agriculture and from numerous other communications of the millers, but I will not take up the time of the House further by reference to the representations of the millers except to say that the files will show that through all these years down to 1924 the millers were making these representations as to the effect upon their industry of the cheaper rates from American ports to Great Britain, and they stated over and over again that mills in Canada were closing because of the combine giving these better rates to American shippers.

But that was not the only trade that was being crushed or injured. If hon. members will look at page 21 of the published correspondence they will see a letter from Grahams Limited of Belleville, Ontario, dated November 9, 1920, relating to dried vegetables and fruits. This communication is addressed to the Commercial Intelligence Service of the Department of Trade and Commerce, and reads as follows:

Referring to your letter of October 27th regarding the export of our products to the United Kingdom. One serious complaint we have to make at this time is in regard to the ocean freights which are absolutely unreasonable being cheaper out of New York than Canada. We have purchased space for dried vegetables both in barrels and boxes as well as dried fruits and apple waste and chop out of New York to German ports and Holland ports at 65 cents per 100 pounds, while the rate from Canadian ports to United Kingdom is $1 per 100 pounds. The value of these goods have greatly reduced, the fact is that it is half what it was a year ago and these still ocean freight cannot be paid nor American competition be met under these circumstances. We believe this a matter that you might take up successfully as the steamship people are losing the trade entirely and we cannot possibly compete which we have been accustomed to doing with New York to do this export business under these conditions.

Take another industry which, while it may be remote, is very real to those engaged in it no doubt—I refer to clothes pegs. On December 3, 1920, a communication was sent to Mr. Watson Griffin, Department of Trade and Commerce, which contained the following statements:

During recent months we have found that the English market for wooden clothespegs as well as other markets we have been catering to have been practically closed to us on account of the high ocean freight rates prevailing. It is during the winter months that we are in the best position to cater to export trade, since during these months we can obtain direct sailings from St. John N.B., to all the large foreign ports.

[Mr. Mackenzie King.]

We have now on hand an accumulation of about 20 carloads of clothespegs and could probably move them immediately if the ocean freight rates were reduced. At present the rate from St. John to London or Liverpool is $1.00 per hundred pounds. Since the Canadian Government Merchant Marine has started on a schedule of sailings from St. John during the current month, we thought that you might be able to use your influence at headquarters to see if some reduction in the present ocean freight rates could not be secured.

Another phase of the matter which is of interest is the fact that if these goods cannot be moved it will mean that our factory will bave to be closed down and a number of men thrown out of work and a further addition made to the present long list of unemployed.

Owing to our geographical location we are able to compete satisfactorily with any other concerns in the same line of business for export trade, provided satisfactory freight arrangements can be made for foreign shipments.

The volume of our exports is approximately fifty to seventy-five carloads per annum, and represents an f.o.b. St. John value of about $150,000.

Thanking you for any assistance you can give in securing a downward revision of ocean freight, we are.

Yours very truly,

J. H. CUNNINGHAM,
Gen. Manager.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

WEST VIRGINIA PULP AND PAPER COMPANY

The House resumed from March 10 consideration in committee of Bill No. 13, respecting a patent of West Virginia Pulp and Paper Company—Mr. Jacobs—Mr. Gordon in the chair.

On section 2—Rights saved.

Mr. MACLEAN (York): On three or four nights I have sat here when private bills have been called and none of the sponsors has been present to explain them. I move that the committee rise and report progress.

Progress reported.

EDGEWORTH GREENE PATENT

The House resumed from March 10 consideration in committee of Bill No. 14, respecting a patent of Edgeworth Greene—Mr. Jacobs—Mr. Gordon in the chair.

Mr. MACLEAN (York): I move that the committee rise and report progress.

Progress reported.

MARCONI WIRELESS TELEGRAPH COMPANY OF CANADA, LIMITED

Mr. HERBERT MARLER (St. Lawrence-St. George) moved the second reading of Bill No. 19, respecting a patent of the Marconi

Wireless Telegraph Company of Canada, Limited.

Some hon. MEMBERS: Explain.

Mr. MARLER: The purpose of this bill is to extend the duration of a patent No. 98083, issued under date of the 20th March, 1906. That patent was issued and was subject to the Patent Act as contained in the Revised Statutes of 1906. That act, as hon. members will remember, gives any person who has made an invention the right to apply to have his invention patented, giving to such person for a period of time the exclusive use of that invention. The term under which that exclusive use is to be granted is regulated under section 23 of the same act and is therein specified to be for a period of eighteen years. The patent in question was issued, as I have stated, on the 20th of March, 1906, and consequently the term of the exclusive use of the patent expired on the 20th March, 1924. This bill now before the House asks for an extension of time for seven years until the 20th March, 1931.

What are the reasons why this extension is asked? The invention in question was invented by an English scientist by the name of John Ambrose Fleming, and is commonly known as the Fleming valve. This is an invention made for the purpose of detecting what may be called wireless currents and of amplifying those currents when detected. Another qualification which this patent has is for turning what are commonly called alternating electric currents into continuous electric currents. The patent in question, as invented and as patented by Mr. Fleming, was subsequently purchased by the Marconi Wireless Telegraph Company for a considerable sum of money, namely, £7,000. At the time this invention was patented, it was looked upon possibly as a visionary article and as one which, perhaps, would serve some useful purpose many years afterwards. Consequently, in the initial years of the time it was patented no commercial use whatever could be made of the patent in question. After that, as hon. members will remember, the war intervened and all matters regarding wireless telegraphy and such like were taken under the strict control of government supervision. Consequently, as regards making commercial use of this patent, any sales which were made of the article patented had to be made to the government and no royalties could be received thereon. In the meantime, the company in question, the applicants under this bill, had expended considerable sums of money in perfecting this patent and in endeavouring to adapt it to commercial use. That commercial use arrived only after the war had terminated and, indeed, only a few years ago. As hon. members will also recollect, radio, wireless telegraphy and matters of that description, particularly radio, came into vogue to any great extent only in later years. This particular article is used in the interior of radio apparatus. It looks, so I am told—I have never seen the article in question—more or less like a small electric light bulb. It is also used in wireless apparatus in ships at sea. Consequently the owner of this patent, the Marconi Wireless Telegraph Company, have not been able to put it to any good commercial use, and for that reason they ask for an extension of the patent for a further period of seven years. Ordinarily speaking, extensions of patents, perhaps, are not granted, but there are precedents which have taken place in this parliament where patents given have been extended very largely for the same reasons and with the same objects as those for which this application is made. I have here the statutes of Canada for 1900, and hon. gentlemen, on referring to chapter 121 of those statutes, will see that a patent therein granted in previous years was extended, under the particular statute which I have before me, for a period of six years. If they will refer to chapter 91 of the statutes of 1905 they will find therein quoted five patents which were extended for a period of nine years for substantially the same reasons as are advanced for the renewal of this one.

That hon. gentleman may be fully seized of what has happened in regard to this bill, I may observe that a bill for the extension of this patent was last year before the Senate. The Senate objected to it in the manner in which it was then drawn; it was objected to on the ground that others might have invented a similar article or have perfected an article of a similar nature. In the bill now before the House there is a provision in section 1 to meet the objection raised by the Senate in that regard. The Senate also objected that the extension of this patent should not affect those who manufactured the article in Canada for export trade. That objection is also met, being provided for in section 3 of the bill now under consideration. That I think is an ample explanation of the object of the bill.

Mr. J. A. WALLACE (Norfolk): I am strongly opposed to the passing of this bill, the objectionable features of which should be apparent to every hon. member. As outlined in the preamble it looks harmless and simple enough on the face of it. It calls for

the extension of Canadian patent No. 98083 granted on March 20, 1906, for certain new and useful improvements in instruments for converting alternating electric currents into continuous currents. The period of extension asked for is seven years. This patent involves, as my hon. friend (Mr. Marler) has said, the basic patent known as the Fleming valve or rectifier, on which all modern radio rests. This valve or rectifier was invented by Dr. Fleming of the University of London and was patented in England in 1904. The patent term in England was 14 years and expired in the year 1918. It was not renewed. This device was patented in the United States in 1906, the term there being seventeen years, and it was not renewed although application was made for an extension of time. The patent was taken out in Canada in 1906 and the term expired in March last. As my hon. friend has said, application was made in the dying days of last session to have the time extended.

Mr. MARLER: Will the hon. gentleman bear in mind the remarks I have made? The objections raised by the Senate are eliminated from the present bill.

Mr. WALLACE: It is true the objections of the Senate have been eliminated from it, but those are not the objectionable features of the bill. At least, they are not really so objectionable in my opinion, whatever my hon. friend may think. My objection to the bill is, in brief, that it will lay on the general public of Canada, particularly on radio enthusiasts, a very heavy financial burden. And I shall briefly indicate why. This patent is the device which I hold in my hand and which will be familiar to every radio user. It is the vacuum tube or Fleming valve or rectifier, and it consists essentially of two electrodes, a hot and a cold, within a vacuum. It was discovered by Edison before Dr. Fleming's time that a high voltage, high frequency alternating current will go only in one direction between a hot and a cold electrode, but this principle was made use of by Dr. Fleming and applied to wireless telegraphy. This device, with the addition of a third electrode, the grid, introduced by Dr. De Forest of New York, revolutionized wireless telegraphy and made possible modern wireless telephony or radio as we know it. If this bill passes, every radio user in Canada will be affected because if the extension of time is granted it will be of no advantage to the manufacturing company unless they put up the price of the tubes. This tube which I hold in my hand sold for $9 while the patent stood. A year ago in February, just before the expiry of the patent, the price of the tube dropped to $6 and in February of this year it went down to $4. Someone suggests that it has gone below that.

Mr. CALDWELL: Since the patent ran out?

Mr. WALLACE: Yes, the year after it expired. Now, I venture the prediction that the price will be advanced at least $2 if not more if the patent is extended.

Mr. MARLER: Will the hon. gentleman look at section 2 of the bill? Does it not permit others to manufacture the same article in Canada provided manufacture is already started?

Mr. WALLACE: I have no information that that has been done to any extent although I cannot speak with any certainty. I do not think that this device has been manufactured by anyone who will not be affected by the extension of the patent. Section 3 provides that the act shall not affect or restrict in any way the manufacture in Canada of an invention, covered by the said patent, for export out of Canada. The principle apparently seems to be to lay all the burden on the Canadian radio user. In the special copyright committee this afternoon Mr. Cartier who has charge of the broadcasting station of La Presse in Montreal was examined. He stated that there are 400,000 radio receiving stations in Canada, and he expressed the opinion that 100,000 at least of these are users of the tube set receiving apparatus, the others being users of the crystal set, who would not be affected. My estimate is that if there are 100,000 users of tube sets to-day there will be a million users of them in 1931 by the time the patent expires.

Mr. CALDWELL: Is it not a fact that these sets have all the way from two to five tubes?

Mr. WALLACE: Yes, these tube sets may have as many as eight tubes, according to the results which the owner wishes to obtain. The life of these tubes is short, particularly in the hands of amateurs; they are being burned out and broken every day. I estimate conservatively that every radio user will require on an average at least two and a half tubes a year, probably more.

Mr. MACLEAN: (York): How much do they cost?

Mr. WALLACE: The type which I have here costs $4. The price varies according to the variety.

Mr. MACLEAN (York): How much does an electric bulb cost?

Mr. WALLACE: I do not know; the price of electric bulbs varies as well. But if the average owner of a radio set uses two and a half tubes a year, and my estimate of the number of owners of radio sets is anywhere near correct, the public of Canada during the next six years in which the patent would be extended under this bill, as one year has already expired, would use 7,500,000 tubes. If the price is advanced $2 per tube, this would involve an outlay on the part of the radio public of Canada of $15,000,000. I submit, Mr. Speaker, that that would lay a heavier burden on the radio public of this country than the proposed Petersen bill would lay on the public generally. There is another point to be considered. If this patent is extended, there are innumerable patents covering improvements of this device, some of them mechanical, some of them electrical, and there is no reason why the holders of those patents should not come to this parliament and ask for extension also. For these reasons I submit that there is no justification for the extension of this particular patent. We have the reputation of being long-suffering, but I venture to say, Sir, that the House will not inflict this burden upon the long-suffering people of Canada.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I think the House and the country as a whole are to be congratulated on our having among us one with the technical knowledge of this subject which has been displayed by the hon. member for Norfolk (Mr. Wallace). Being a skilled electrical engineer, he was able to detect this seemingly innocent little bill as it was on its progress through the House. All civilized countries have patent and copyright acts; it is fitting that that should be so. The object is to protect an inventor or an author in his right to enjoy the product of his brain; and, speaking generally, for my part I would say that these rights should be primarily considered irrespective of the manufacturers' or the publishers' rights. Our patent act gives a man the right to his invention for a period of eighteen years. In the judgment of many that time is too long; certainly it is long enough. If the term is to be changed at all, I think we would favour reducing rather than lengthening it. Many reasons might be advanced why this patent should not be continued. The hon. member who has introduced the bill (Mr. Marler) has indicated certain reasons why in his judgment it should be continued. I suppose the same reasons could be advanced by almost every patentee for similar indulgence. But this particular patent has run its course of eighteen years. It is now nearly eight years since the close of the war, and its holders have had an opportunity to enjoy the profits arising from the manufacture of the article covered by the patent. I can well imagine that no bill that might be proposed to the House this session would arouse such strong protests from the public of Canada generally as would this particular bill, and I venture to say that hon. members will hear very soon from a tremendous number of radio fans all through the country if the prayer of the bill is granted and the patent extended.

Motion (Mr. Marler) negatived.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION FOR RATIFICATION DISCUSSED

The House resumed consideration of the proposed resolution to ratify and confirm a contract between His Majesty and Sir William Petersen providing for the establishment of a subsidized steamship line on the Atlantic and government control of ocean rates, and the proposed amendment thereto of Mr. Clark.

Mr. ANDREW McMASTER (Brome): Mr. Speaker, before the debate is resumed, I have a word to say of the nature of a question of privilege. While the Prime Minister this afternoon was quoting somewhat largely from the fifth interim report of the special committee on Agricultural Conditions, of which I was the chairman in the session of 1923, the member for South Oxford (Mr. Sutherland) said that that report had never been brought before the committee prior to its being submitted to the House.

Some hon. MEMBERS: Order.

Mr. McMASTER: That was a somewhat severe reflection—

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I rise to a point of order. I submit that the hon. gentleman is not stating a question of privilege at all; he is debating what was discussed on the question which is now before the House.

Mr. SPEAKER: I should like the hon. gentleman to state if he understood that the remarks made by the hon. member for South Oxford impugned his character?

Mr. McMASTER: I would regret to think, Mr. Speaker, that any of my fellow members would impugn my character; but if the state-

ment was correct, it certainly impugned my knowledge of the procedure of the House.

Mr. SPEAKER: Order. From what I can gather this is not a question of privilege. It is rather in the nature of an explanation which might be made on the orders of the day. It is a question of fact as between the affirmation made by one member and that made by the other. A question of privilege is so serious that it might send an hon. member to the tower. But I do not think in the present instance that the statement made by the hon. member for South Oxford is such that he might likely be censured. The point of order is well taken—

Mr. MACKENZIE KING: Mr. Speaker, if the hon. member for Brome (Mr. McMaster) is not to be permitted to make the explanation which he was about to make, possibly I will be within my right if I give to the House—

Mr. SPEAKER: If the right hon. gentleman will allow me, I might add that if the hon. member for Brome had not already spoken once in the debate he could have been allowed to make the explanation as his speech.

Mr. MACKENZIE KING: I will state what I think is in my hon. friend's mind, and if I am in error he will perhaps correct me. The hon. member for South Oxford (Mr. Sutherland) raised the question this afternoon with respect to a report from which I was quoting. He said either that the report had not been approved by the committee, —that all parties had not been represented on the committee,—or that the report had not been concurred in. I do not recall exactly what his remark was, but, in effect, it was one or the other.

Mr. SUTHERLAND: May I point out to my right hon. friend that I asked him if he would kindly quote the recommendation contained in the seventh and last report of the committee.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: My hon. friend spoke about the report not having been concurred in. I am informed, at any rate, that so far as the committee is concerned all parties were represented on the committee when the report was before it. I have before me at the moment the Journals of the House for Tuesday, June 26, 1923, the first item of which reads as follows:

On motion of Mr. McMaster, the fourth, fifth, sixth and seventh reports of the special committee appointed to inquire into agricultural conditions, were concurred in.

Mr. SUTHERLAND: May I ask if these reports were read before they were concurred in?

Mr. MACKENZIE KING: They are always read, I understand.

Mr. SUTHERLAND: They were not read.

Mr. MACKENZIE KING: Then my hon. friend should have made it a point to read them before concurring in them as apparently all on his side did.

Mr. MEIGHEN: The Prime Minister should add that I rose on behalf of the party I represented and protested against concurrence in the reports under the circumstances.

Mr. MACKENZIE KING: These particular reports?

Mr. MEIGHEN: Those reports.

Mr. MACKENZIE KING: My right hon. friend nevertheless concurred in them.

Mr. MEIGHEN: The House concurred against my protest.

Mr. SUTHERLAND: Without their being read.

Mr. MACKENZIE KING: The point of importance is the fact that the House concurred in the reports and the reports contained the statements which I made to the House this afternoon.

At six o'clock, Mr. Speaker, I was directing the attention of the House to a series of communications to be found on the government files and which have been laid on the table of the House, communications which make it perfectly clear, I submit, that one interest after another in Canada was suggesting to the government of the day, of which my right hon. friend was the leader, that the high rates which were being charged on ocean freights were having the effect of destroying the export trade of the particular industries with which they were concerned, were in fact helping to bring about the closing of many of those industries and to increase unemployment in Canada. It was pointed out that the general effect was adverse to Canadian industries while helping to build up the industries of the United States, the railroads of the United States and transport from United States ports. In other words, the procedure of this ocean combine has been to establish rates, undoubtedly through the associations which these big interests enjoy among each other, from American ports to

European and British ports considerably lower than the rates fixed from Canadian ports to British ports. The result has been that our Canadian industries, owing to the higher rate of transport across the Atlantic to European and British ports, find themselves unable to compete with similar industries in the United States and, what is even worse, find that the higher rates from Canadian ports to British ports are causing much of the raw material of Canada to go to the United States to be manufactured there, thus building up United States industries at the expense of Canadian industries and stimulating the shipments of goods to European countries through United States ports instead of through our own ports. One instance that I spoke of as attracting a good deal of attention was that of the milling industry. Representations were made over and over again to the government of my right hon. friend opposite by this industry in Canada that owing to the fixing by the combine of lower rates upon flour from the United States to British and continental ports than from Canadian ports to the same point overseas, a large volume of grain was going from Canada into the United States to be ground in American mills, while our own mills, unable to export any flour, were closing their doors. What was true in the case of the flour and milling industry, according to the representations I have been reading to the House, has been true also with respect to the cattle trade and, according to representations which I shall read, has been true also with respect to many other industries. I was speaking of the clothes peg industry before the House rose; I mentioned it because it is one of numerous industries affected. What I have said is true also of the dairying industry, of the fruit growing industry, of the canning industry, and of others of great variety and scope. Hon. gentlemen opposite speak about raising the tariff wall, about putting a ring around Canada to prevent the competition of American goods, yet they are prepared to permit these ocean rates to be so regulated by a combine that our raw material is being drained from Canada to build up industries in the United States which compete with ours in export trade, a regulation of rates moreover which makes it impossible for our industries to ship goods from Canadian ports to Great Britain and European ports in competition with shipments going from American ports.

Now may I continue reading some of these representations?

Mr. BRISTOL: Will the right hon. gentleman permit me a question? Do the tramps on the Atlantic take flour? I understood that flour was one of the commodities in competition.

Mr. MACKENZIE KING: With regard to tramps I shall have a word to say later. As I understand it, tramp steamers are ever on the lookout for business, picking it up whereever they can can. But when you study the rates they have been receiving, you find that they are just a little bit below the rates which the combine fixes. In other words, the rates the tramp steamers get are based upon the rate which the combine originally fixes. If the combine's rate is high, the tramp steamer will be getting a very high rate, even though it is a little lower than that of the combine. On the other hand if the rates are kept down by the conference the tramp steamer will fix a slightly lower rate. So that so far as I can make out, the rates which the tramp steamers get are in the first instance based upon the rates fixed by the combine for the liners.

Now, may I read further regarding these ocean freight rates on flour? I have before me a letter which will illustrate what I have just said. It is from the Dominion Millers' Association to the then Prime Minister, the present leader of the opposition, and is as follows:

1801 Royal Bank Building,
Toronto, January 15, 1921.

Re: Ocean Freight Rates on Flour

Hon. ARTHUR MEIGHEN,
Prime Minister,
Ottawa.

Dear Sir,—You will remember when Mr. Gear and his colleagues appeared before you and the other members of the cabinet on the above question that he stated in reply to Sir Henry Drayton's query as to the freight rates being fixed in New York for the Canadian lines that they always took care to protect the interests of the Canadian shippers.

In the latter part of December the rate on wheat dropped from 40c. to 25c. per 100 lbs. and under the order of the U.S. Shipping Board, the rates on vessels subject to that board dropped on flour to 30c. per 100 lbs. making the differential 5c. per 100 lbs. as before.

Application was made to the Canadian shipping companies to reduce their rates likewise to 30c. per 100 lbs. on flour but we are informed that at a meeting of the steamship agents it was decided not to make any reduction with the result that the Canadian millers are now to pay 45c. per 100 lbs. by the Canadian steamship agents while U.S. millers or for that matter Canadians, can ship flour at 30c. per 100 lbs. via New York, Baltimore, etc.

I wanted to be positive of this before taking the matter up with you and to-day saw a letter from New York quoting 30 cents rate on flour to U.K. ports for January shipment while 45 cents has been the lowest rate offered from Canada although we understand we can get it for 25 cents to continental ports.

It seems a remarkable situation that Canadian government steamers should refuse to carry flour from Canadian ports at the same rate as U.S. government steamers will carry flour for both U.S. and Canadian millers from U.S. ports thus discriminating against Canadian ports and Canadian railways and compelling

Canadian millers to ship via U.S. railroads through U.S. ports.

This is especially extraordinary at the present time when unemployment is so great in Canada and also in view of the fact that it was reported in the press, one of the government steamers has been chartered to load in New York for some foreign port.

We sincerely trust that you will take this matter up immediately and take whatever steps are necessary to secure the 30 cent rate on flour from Canadian ports as well as U.S. ports. It looks very peculiar and bears strong evidence of there being a combine in ocean freight rates the U.K. when freight can be secured at 25 cents to the continent from the same agents as ask 45 cents to the U.K. ports.

Whilst speaking of flour, I might quote two other letters, one from the Fischer Flour Mills, of Pembroke, Ontario, dated April 4, 1921, addressed to the Department of Trade and Commerce, Ottawa, and reading as follows:

Re: Flour Shipments to Danzig

Gentlemen,—We have recently been submitting offers for carload shipments of flour to the Danzig (Free State) authorities and would have secured handsome contract if it had not been for the transportation charges which appear to be considerably higher from Canada to Danzig than New York to Danzig, and it is only on account of the saving in freight the New York interests secured the order.

We have been promised an order on the basis of equal freight. Is it not possible for us to secure part of this business and can you not please find out for us what would be the cheapest way to ship flour from Pembroke to the port of Danzig. Of course, so far we had to figure on St. John, N.B., freight which will be considerably reduced as soon as we could ship from Montreal.

We will be very much indebted to you for assisting us in this proposition. Business is slack and it would seem a pity if orders for flour which are so badly needed here should be all going to the American competition.

Trusting to receive full information at an early date, we remain,

Faithfully yours,

FISCHER FLOUR MILLS.

Then on April 8, 1921, the same firm writing to the Commercial Intelligence branch of the Department of Trade and Commerce, and referring to this file, says:

Dear Sirs,—We are very much indebted to you for your kind letter of the 6th inst. in connection with ocean freight rates on flour to Danzig, Europe.

We have informed you that it costs $4.00 to $5.00 to ship one ton of flour from New York to Danzig, and we are to-day advised by the C.P.R. that their rate from Montreal to Danzig is 48 cents a hundred or $9.60 a ton.

In other words, under the arrangement which this combine worked out, flour was going from New York to Danzig at from $4 to $5 per ton, whereas the rate from Montreal was $9.60 per ton. This firm adds:

This is a remarkable difference and as you will readily see, will surely kill the trade for Canadian maufacturers desirous of exporting to the above port.

Your co-operation is indeed highly appreciated and we are looking forward to encouraging news.

Faithfully yours,

FISCHER FLOUR MILLS.

I wish again to direct the attention of the House to the phraseology used by these various shippers. One after the other refers to the circumstance, not that his industry is being prejudiced, not that his industry is being impaired, but that it is being killed or destroyed. "This is a remarkable difference," this firm says, "and as you will readily see, will surely kill the trade for Canadian manufacturers." So much for representations with respect to the shipments of flour.

Now let me give a quotation or two with regard to canned goods. There is another large industry in this country, which affects market gardeners as well. This is a communication dated Hamilton, January 24, 1921, from the Dominion Canners, Limited, addressed to the Department of Trade and Commerce, Ottawa:

Dear Sir,—We have reliable information that freight rates on canned goods from San Francisco to U.K. ports have been fixed at $1.10 per 100 lbs. or the same rate as from Atlantic ports, provided the goods are not strapped.

You will readily appreciate that it is impossible for us to compete with California packers on this freight basis. The rates of freight now being asked by the various steamship companies, owing to their pool arrangements, is altogether too high and while the outlook for business under the most favourable conditions is not encouraging, the high freight rates are completely killing it.

There again is the same expression as was used in a previous letter, "the high freight rates are completely killing it," namely, the export business in canned goods in this country. The letter continues:

It should be in the Canadian interests to see that the freight rates established from Canadian ports to Great Britain are in line with the California rates. You understand, of course, that in California they are able to pack very much cheaper than we are in eastern Canada, owing to the tremendous business which they do there and owing to the large quantities of fruits and vegetables grown especially for canning factories on a very large scale. If there is any possibility of reducing rates, we belive it is in the best interests of all concerned.

If our information is correct, many boats are tied up for lack of freight and the holding of freights at prohibitive prices is only resulting in the goods not moving at all.

Yours very truly,

DOMINION CANNERS LIMITED.

The next is a communication with respect to rolled oats, another industry of importance in this country. I shall read only one or two paragraphs. This letter is addressed to the Right Hon. Sir George E. Foster, Minister of Trade and Commerce, Ottawa, and is from the Dominion Millers' Association:

Hon. Sir.—I am asked to call your attention to the high ocean freight on rolled oats.

Then this paragraph appears:

The oatmeal mills have found it impossible to sell any oatmeal for export in the face of these pro-

hibitive ocean freight rates with the result that the Canadian oatmeal mills are shut down while the Old Country mills are busy and the steamship companies are not getting the oatmeal to carry and ships including those of the Canadian Marine, are lying idle for days at a time in port waiting for sufficient cargo to accumulate to justify their sailing.

The last paragraph reads:

You will of course realize that the fact that oatmeal mills are shut down has an adverse effect on the price of oats as it takes ten bushels of oats to make one barrel of oatmeal so if the steamship companies would reduce their freight to a workable basis, it would not only be a benefit to the steamship companies themselves, and the milling industry but also to the farming community.

I have the honour to be,
Your obedient servant,
C. B. WATTS,
Secretary.

Mr. BLACK (Huron): What is the date of that letter?

Mr. MACKENZIE KING: The letter is dated March 16, 1921. I am reading representations which my right hon. friend and his government had before them with respect to these high ocean rates, and the point I wish to draw to the attention of the House in that connection is that this problem is by no means a new one. It is not a matter with which the Preston report is concerned one way or the other. I am trying to show that the government departments are full of these representations from all the leading industries of our country, and it is on the representations which have been made to the government, independent altogether of any report made by Mr. Preston, that the government action in this present connection is based. I wish also to make this clear, that this condition is just as bad—I should not say as bad, it is worse to-day, because the rates that are complained of here have been increased since that time on all the commodities to which I have made reference, and there is no guarantee whatever that next month unless the government steps in and takes action such as we are taking to-day, the rates may not be raised again. There is no control whatever. This combine regulates the rates any way they please, and every industry of any importance in this country is pointing out to the government that its export trade is being thwarted, if not destroyed entirely, by the high ocean rates; and in addition to that businesses are being closed down and men are being thrown out of employment. If my right hon. friend wants to know why men are out of employment and why businesses are closing down, he will find it in these representations which have been made to the government as to the impossibility of shipping goods abroad at the high rates which are being charged by the working of this combine.

Now let me take another communication in regard to the rates on cattle. This is a communication addressed to Hon. Dr. S. F. Tolmie, Minister of Agriculture, dated August 1, 1921, from the Stock Growers' Protective Association of Western Canada, Calgary, Alta., and signed by W. F. Stevens, secretary. Hon. gentlemen opposite will know whether that association has a right to speak on behalf of those for whom it professes to speak in this communication:

Dear Sir,—I am taking the liberty of directing your attention to the severe drop in market prices for cattle. According to a report just received from the commission firms in Calgary, $5.25 per hundredweight is at the present time the top price for butcher steers. Something is necessary to be done or the live stock business of production in western Canada will be reduced to a lower level than has been the case for many years. I have been requested by the directors to communicate with you in this respect and direct your attention to the present situation.

I have been asked to acknowledge our appreciation of the reduction that has been made in the price of steamship space, and also to say that another similar reduction will have to be made if our stock growers are to receive for their cattle a price which even approximates the cost of production.

I feel free in bringing this matter to your attention because I know you fully understand western Canadian conditions and the importance of the live stock industry to the three prairie provinces.

I trust that you will be able to secure in the near future another reduction in the price of ocean space.

Thanking you in anticipation, I am,
Yours very truly,
W. F. STEVENS,
Secretary.

These are communications which have been laid on the table of the House. I wish to quote from two or three more, simply to dispel from the minds of hon. members and the public once and for all, that the representations in Mr. Preston's report are the only ones that the government has had before it in this matter. These further representations to which I wish to refer were made long before Mr. Preston was asked to have anything to do with the subject, and are wholly independent of anything to which his report relates.

Another of the industries with regard to which communications have been received relating to ocean rates is the corn broom industry. Meakins & Sons, Limited, Hamilton, sent a communication, dated December 9, 1919, in which they said that a dozen corn brooms shipped by the Head line to Dublin from Montreal cost them eleven shillings ocean freight, while a dozen of the same brooms shipped by the Head line from Baltimore to Dublin or Belfast costs them from five shillings and four pence for the

small grades to seven shillings and eight pence for the very largest corn broom. They would average about six shillings and six pence per dozen. The communication goes on to say:

The difference between six shillings and six pence per dozen and an average of eleven shillings is such a great difference that there is absolutely no chance for us to compete, although these goods are in great demand both in Ireland and Scotland, and we know that we can manufacture them as cheap here as they can be manufactured in the United States.

The writer goes on to remark:

It seems too bad to see this trade lost to us, more especially when the same line of steamers carries the goods from West St. John to Ireland as carries the goods from Baltimore to Ireland. Cannot something be done in the matter?

We remain,
Yours truly,
MEAKINS & SONS LIMITED,
W. J. MEAKINS.

Thus it is seen that the very same ships carrying commodities from Canadian and American ports charge a very much higher rate from Canadian ports to Ireland than from American ports.

Here is another communication from the Sutherland Innes Company Limited with respect to the cooperage industry, dated Chatham, Ontario, January 24, 1919. It is addressed to Mr. O'Hara, Department of Trade and Commerce, and deals with the shipment of cooperage stock to Great Britain. The general manager says in part, I will not quote the whole letter:

It looks to me like a deliberate attempt—perhaps made through ignorance but very likely through greed—to destroy the trade in cooperage from Canada to Great Britain.

I think this is a matter for your department to take up, as it certainly is not reasonable, at the present time, with all the ships that are going from St. John and Halifax, to extort a rate of $3 per hundred pounds on cooperage stock, when previous to the war, steamers were rigorously soliciting the same business, at from 17 cents to 35 cents per hundred pounds according to the season.

There is an increase in ocean rates if you like, an increase from 17 to 35 cents per hundred pounds to $3 per hundred pounds. These are the high ocean rates of which manufacturing concerns in this country, as well as agriculture and other industries are complaining. The manager of this concern encloses a statement from a representative setting out these facts more in detail.

Mr. MEIGHEN: What is the date of the letter?

Mr. MACKENZIE KING: The communication is dated "Chatham, Ont., January 24, 1919".

An hon. MEMBER: Have you some late ones?

Mr. MACKENZIE KING: Yes, I have some late ones and I will bring them along in a moment. Then there is a communication with respect to pig iron from Fraser, Brace & Company, Limited, 83 Craig Street West, Montreal, dated April 17, 1919 to the Department of Trade and Commerce, which states:

We manufacture pig iron in electric furnaces at Shawinigan Falls and at present have a representative in England who writes that he can secure orders for from 500 to 1,000 tons per month over the balance of the year. However, we find it impossible to get a freight rate. The White Star line and Robert Reford Company, practically refuse to quote. Can you give us any assistance in this matter? We are asked to quote on this business c.i.f. London, Antwerp, Northern French ports, Genoa and Italy.

Your assistance will be appreciated. The Canadian Pacific O.S. have just quoted rate $25 a gross ton London subject to tonnage and change without notice.

Here is another important Canadian industry, the lumber industry. A firm in the Old Country acting as agents for Canadian concerns, Spence, Lock & Company communicated as follows with the High Commissioner at London, and the letter was sent out for the department here to deal with.

I will only read a sufficient number of paragraphs from the letter to illustrate its tenor:

27 Clements Lane
Lombard Street,
London, E.C. 4,
7th, September, 1921.

His Excellency
The High Commissioner for Canada.

The object of this letter is to bring before your notice the urgent necessity of lower lumber freights from Canada to this country.

Our interest in the matter is that of selling agents for many large Canadian houses. From the resultant confusion—

He is speaking of the war—

—we are only just emerging; during the past few weeks something like a recognized free on board value is gradually shaping, and there has even been a slight firming up of prices. A good deal of business has been done and more confidence is felt.

If, however, we turn to the sources of what has been sold we find that Finland has provided most of it, that Sweden has sold a fair quantity, and that Canada has literally sold nothing.

From eastern Canada we look normally for large supplies of spruce, but this year buyers have taken European white in preference as they find it not only in the main better, but actually much cheaper.

Canadian freights are bout 100/— as against about 50/— from Sweden and Finland. That is the first reason. The second is that the Finnish exchange is so low they can afford to sell at prices which appear ruinous to the Swede, and quite impossible to the Canadian.

The only hope we see for an awakening of spruce business is in a determination by sellers to accept the facts of the situation by a bold cut simultaneously with a sensible reduction in the freight rate. If freights could be set at 60/— that would give sellers

about $34 and $22 per thousand feet f.o.b. We think that at such rates a sound and steady business could be gradually worked up again, and we do not doubt that sellers could be eventually induced to accept business on such terms.

We ask your pardon for addressing you at this length but the matter seems to us of considerable importance, and we would venture to beg your assistance in bringing your influence to bear to ameliorate the position as regards the freight.

Mr. STEVENS: Will the Prime Minister kindly give the date of that letter?

Mr. MACKENZIE KING: The letter is dated 7 September 1921. I have another communication from Huntsville, Ontario, dated August 22, 1921. This letter is from the Anglo Canadian Leather Company, Limited. It was evidently sent by this company to the then member for the constituency who apparently forwarded it to the Minister of Trade and Commerce because it appears on the files of the department:

9 p.m.

Dr. PETER MCGIBBON, M.C., M.P.,
Bracebridge, Ontario.

DEAR DR. MCGIBBON,—We write to you to enlist your good offices to assist us in an effort which we are making to obtain a reduction in the ocean freight rate on sole leather from Montreal to England.

The present rate of $2 per hundred pounds is eight times the pre-war rate. As late as 1919 we shipped large quantities of sole leather at $1.25 per hundred pounds—or five times the pre-war rate.

We understand on very reliable authority that the general average of cargoes are being shipped at less than three times pre-war rate. Dry hides are being shipped at $1 per hundred pounds, from South America, against a pre-war rate of 80 cents per hundred pounds.

From this you will see that the rate on sole leather is unjust and entirely out of line with general rates. We have been endeavouring to induce the Canadian Government Merchant Marine Limited, Montreal, to authorize a rate of 75 cents or three times the pre-war rate, but without success.

We understand that the shipping business is exceedingly quiet and we constantly see references in the press to the effect that government ships are idle and that they are endeavouring to open up a new channel of trade to keep them busy, etc., it seems to us that if they would endeavour to keep alive some of the old trade that existed before the war it would be the proper way to go about an increase of business. The rate of $2 per hundred pounds practically shuts us off from export business in sole leather—

Another export business shut off.

—as this business is done on a very close margin of profit.

Then he goes on to say:

In fact for many years before the war we suppose that we did not make more than a cent a pound on our export business. You will understand from this how impossible it is to compete with the English tanners when a $2 freight rate has to be figured in the price.

You have evidence both in Huntsville and Bracebridge of the condition of our industry at the present time. Our Bracebridge plant is almost entirely shut down and while we are doing a little more at Huntsville just now, we have been idle all summer. Normally 50 per cent of our output goes abroad and there is no chance whatever to operate our plants to capacity or anywhere near it, until we are able to export freely. You will see from this the necessity of having a freight rate upon which business can be done.

We have no doubt you will realize also from what we have said the vital importance of this whole matter. It means something to every working man and merchant in the towns of Huntsville and Bracebridge.

Thanking you for your help in the past and for anything you may be able to do for us in the present case, we are,

Yours respectfully,
ANGLO CANADIAN LEATHER COMPANY, LTD.,
CHAS. G. SHAW.

I think I have quoted from enough communications to bear out the truth of the statement that I have made, that in a great variety of the industries of this country, industries upon which communities largely depend for their livelihood and which are therefore really all-important in the country's economic life, the export trade has been, if not completely, at any rate very largely destroyed, with the result that industry after industry has had to close down and unemployment has increased in the different communities.

Mr. STEVENS: All of these that the Prime Minister has quoted recently are, I understand, of 1921 date.

Mr. MACKENZIE KING: No, some of them are prior to that and they come down to 1921. The quotations I have made have been in order to show that hon. gentlemen opposite had plenty of representations made to them on this score. They know very well the source of unemployment and the cause of the closing down of industries, if such be the case, but they are failing to recognize, or at least to admit the right cause. They are endeavouring to have it appear that the tariff is in some way responsible for the closing down of these different industries, while they are being told, according to the representations made by the heads of the industries themselves that it is the high ocean rates that make it impossible for export trade to be carried on.

Mr. LEWIS: Will the Prime Minister tell us how it happens that under this terrible handicap of high freight rates, our export trade is $1,045,351,056, and the favourable balance of trade since last year has increased $260,000,000?

Mr. MACKENZIE KING: That is in spite of the situation that I have been describing. It would be very much greater if this handicap were removed. If the hon. member will study the figures, he will find that that gain has been confined largely to very considerable exports in two or three particular lines, but that others have suffered.

May I come to some of the representations that were made to the present government? The present government like the previous government had direct representations made to it, for example, with respect to the differential on flour from American ports as against Canadian ports. A communication which I received from the secretary, Mr. Watts, on January 11, 1922, begins as follows:

> Re high ocean freight rates. As the United States' millers only pay nineteen cents per 100 pounds in United States' funds while the Canadian millers have to pay twenty-four cents per 100 pounds in Canadian funds on flour to Great Britain, I am taking the liberty of sending you a copy of the representations made to the late Prime Minister and his colleagues on this question last August as I expect the Minister of Trade and Commerce will be bringing this question to your attention shortly if he has not already done so.

In another communication, dated January 21, 1922, Mr. Watts states as follows:

> This is a matter of vital importance, not only to the milling industry, but also to the transportation and agricultural interests in Canada, as at the present time Canadian wheat can be ground in American mills and shipped to Great Britain at nineteen cents per one hundred pounds while Canadian flour, even shipped in Canadian government boats, has to pay twenty-four cents per one hundred pounds. This means also a serious loss to Canadian labour, not only those employed in the mills, but in the transportation of the products as well. For these reasons, we sincerely trust you will be able to be present at the meeting and give us your aid in having flour milled in Canada, carried at the same rates of freight to the United Kingdom as flour milled in the United States.

I could mention other communications from the same association, but I can say in a word that they repeat in large part what is there stated. The government undertook at once to make representations on this matter, without very considerable success at the beginning. On July 10, 1923, this communication was received, and it shows how serious the matter had become at that time:

> The rate on Canadian boats from Montreal is 19 cents per 100 pounds, so the fact that there is a combine among the boats trading from Canada and that the Canada Steamship Lines has protested to New York against Canadian flour being carried from the United States ports at the same rate as United States flour, and insisting that it be carried at the same rate as the boats sailing from the Canadian ports were charging, as brought out before the investigation by the special agricultural committee, had no effect.
>
> The Ontario mills still continue to go to the wall, and if this discrimination continues long enough there will be few mills left in Ontario excepting those located at lake ports where they can get the benefit of the all water rates, or competitive rates based on the all water.
>
> Yours truly,
>
> C. B. WATTS.

That was a serious statement—"The Ontario mills still continue to go to the wall." On August 16, 1923, the following communication was sent also by Mr. Watts to Mr. Robb, at that time Minister of Trade and Commerce, re high ocean freight rates:

> In further reference to our letter of yesterday re the above, we beg to advise you that we are to-day offered a rate of 12½ cents per 100 pounds on A-1 steamers on flour from New York to Hamburg, last half of August or first half of September.
>
> The rate from Montreal to Hamburg is 19 cents or 6½ cents per 100 pounds or 13 cents per barrel higher than the rate via New York.

Then omitting a paragraph and coming to the concluding paragraph:

> The mills in Ontario have gone out of business during the past year or two at an appalling rate and if this discrimination continues, it will only be a short time before the milling industry in Ontario is wiped out excepting a few mills that are financially strong enough to work at a loss for possibly a year or two longer when the few that survive will probably be able to charge such prices as will well repay them for the lean years they have passed through, but it will not bring into existence again the large number of mills which that unfair discriminatory freight rates have ruined and driven out of existence.

Those representations are very similar to the representations which were made to the government of my right hon. friend opposite. I am happy to say that the present government have been able to do something in this matter; that they have been able, through the representations they have made, to get the same rate on flour from Canadian ports as from United States' ports, and that the situation has been remedied, at least for the present. The government took up the matter repeatedly with the shipping companies through the Minister of Trade and Commerce, the present Acting Minister of Finance, (Mr. Robb), and the present minister, it was also taken up at the Imperial conference by the Minister of Railways (Mr. Graham) and the ex-Minister of Justice (Sir Lomer Gouin). It was brought before the Imperial Shipping committee and stressed very strongly; it was kept before them by the present High Commissioner in England. They were asked to continue their investigations here and they did so, with the result that they have secured an understanding from the combine that the rates on flour from Canadian ports will not exceed the rates from American ports. So that the situation has been remedied to that extent. But as matters stand there is no guarantee other than the word of these com-

panies that these rates will be maintained. I would point out that while that result has been achieved in regard to one commodity, flour, these preferentials favouring American ports to the exclusion of Canadian ports remain in large measure what they have been with respect to other commodities. Unless some step is taken such as that which the government proposes in the legislation about to be brought down, it is difficult to see how the situation can be remedied at all.

I have here a communication with regard to cattle. It is of recent date and shows that these representations still have force and that they relate to present conditions.

Mr. MEIGHEN: Can the Prime Minister tell us when it was that the American government instructed the American merchant marine to give a preferential rate on flour?

Mr. MACKENZIE KING: I am sorry I cannot give that information at once but I shall have a further word to say in a moment regarding flour rates and I may then come across what my right hon. friend wants.

Mr. MEIGHEN: Was it in 1922?

Mr. MACKENZIE KING: I am not sure. I want now to read this communication with regard to the cattle industry. It comes from Edmonton from the Department of Railways and Telephones of Alberta and is dated February 8, 1924. It is from the Alberta government to the present administration, addressed both to myself and to the Minister of Trade and Commerce (Mr. Low):

> Gentlemen: It has been stated by a reputable authority, the Hon. Clifford Sifton, and freely commented upon in the press, that although live stock could be profitably carried to the United Kingdom from the Atlantic sea board for $10 per head the present cost is $20 per head. In view of the fact that western Canada is to a great extent dependent on the cattle industry and that the United States market is practically prohibited by tariff, everything possible towards lowering transportation costs should be striven for. If the Canadian merchant marine is a party to the continuance of this alleged excessive charge I am of the opinion that steps should be taken to rectify the matter. The Alberta government strongly recommends that the necessary steps be taken in order that the live stock industry in western Canada may be stimulated by the increasing of any net returns which may be secured for the producer. I shall be glad to hear from you in the matter.
>
> Yours very truly,
>
> A. CHARO,
> Freight and Traffic Supervisor.

There is a communication from the government of Alberta, comprising members of the Progressive party, asking that the necessary steps be taken in order that the live stock industry in western Canada may be stimulated "by the increasing of any net returns which may be secured for the producer." I think I have made it plain that one of the objects of this legislation is to effect what the Alberta government declares is absolutely necessary in the interests of the cattle industry of that province.

I have also a communication from a gentleman whose name will be familiar to many hon. members—Donald Munro, of Montreal. This gentleman has a great deal to do with the shipping of cattle to the Old Country and the situation as he views it is described in a letter dated April 11, 1924, addressed to Dr. J. H. Grisdale, Deputy Minister of Agriculture. I shall not read the whole letter but merely one or two pertinent paragraphs.

> I am also enclosing copy of a letter that I sent some time ago to the Furness Withy Steamship Company regarding the high rates now charged by them as well as by the other steamship companies, and the effect that such rates are having on the trade; the letter in question explains itself.
>
> At these high rates, in conjunction with the strong competition from Ireland, have a strange hold on the Canadian business, it is very obvious that something must be done to combat it, unless we are prepared to see the business die out entirely—

I would ask hon. gentlemen to note the significance of those words. Other persons speaking of their export business have talked about its being killed or destroyed. Here is a gentleman who has had a wide acquaintance with the live stock business and who declares that it is obvious that something must be done—

> —unless we are prepared to see the business die out entirely, and as the live stock export trade is of such vital importance to this country we cannot afford to take such medicine lying down.
>
> At the present time owing to the fact that we are practically tied down to two or three ports on the west coasts of England and Scotland we are compelled to accept what rates of freight are decided on by the regular lines running to these ports, and as these lines have a sufficient number of steamers to take care of what cattle we can afford to ship at present rates (which are fixed at New York by the Atlantic Conference) there is little hope of getting any reduction; the result is that while we are compelled to pay maximum rates, our cattle are landed at ports where we have to bear the brunt of the Irish competition.
>
> In order to get the ships running to the east coast or the continent interested in this trade I consider that it would pay the country well to offer them some inducement in the way of a subsidy if necessary, or if any considerable number was shipped to the east coast there would be less offering for the west coast ports of Liverpool or Glasgow, and any shortage would soon result in keen competition for what would be available, and such competition would soon be felt on lower rates.
>
> To my mind, this is the only way that lower rates can be obtained. I would therefore ask you to go closely into the whole matter. You know as much about the districts that could be tapped from the

east coast as anyone, and if the suggestion appears feasible, I would be pleased to go into the matter with you in fuller detail.

Yours very truly,

DONALD MUNRO.

I have other communications. There is for instance one from the Canada Carbide Company emphasizing the necessity of reducing rates on chemicals if that trade is not to be lost. Then there is a more recent letter in regard to lumber. I have read one addressed to the late government; let me read the more recent communication addressed to the present administration:

Dear Sir,—The steamship companies have recently advanced their rates on white pine ten shillings per standard. The rate now is over five times what it was prior to the war. Railroad rates have been increased a little more than twice what they were; then as regards commodities of all kinds, their prices have been increased only about one and one-half times, speaking generally.

The lumber trade is not in a flourishing condition just now. The producers are facing a heavy loss. The export trade to the British Isles shows a decided falling-off which is largely due to the fact that the Scandinavian countries are in a position through lower freight rates to make lower prices to the British importer. Canada at the present time needs export business, but under discouragement through advance in ocean freights exports will decline.

We submit, therefore, that something should be done internationally to control steamship rates. This of course would take some time to work out. In the meantime your government have a large mercantile marine and we are satisfied that if some pressure is brought upon the management the combination among the steamship companies could be broken. Will be glad to have your remarks.

Yours truly,

R. LAIDLAW LUMBER COMPANY, LIMITED.

I have also a communication from the Union Lumber Company of Toronto under date April 25, 1924:

We presume you appreciate that the trans-Atlantic steamship companies have recently advanced their rates on white pine lumber ten shillings per standard.

We feel that this is going to work a very material hardship on exporters of Canadian white pine products during this season due to the fact that this will be a further inducement for British buyers to purchase lumber from the Scandinavian countries, who are in a position through lower freight rates to make lower prices for their lumber to British importers.

We appreciate that Canada at the present time needs export business, and we feel something radical should be done in the way of endeavouring to control, if possible, ocean rates.

I will not read further from that communication, and I promise to conclude with quotations from two other communications which I have before me. The first is a letter from the Sheet Metal Products Company of Canada, Limited, and it helps to illustrate wherein the manufacturing interests generally have felt the effect of these high rates. The letter, of which I shall read only a part, is addressed to Mr. O'Hara, Department of Trade and Commerce, and is dated Toronto, September 28, 1923:

Re: Ocean Freight Rates

Dear Sir,—When Mr. Egan was in Toronto, in discussing the question of shipping to South Africa, he mentioned that we could get very favourable rates from the Elder, Dempster Co. Steamship lines.

In general discussion with him regarding ocean freight rates, we pointed out that owing to the attitude of the steamship lines operating from Canada and the high ocean freight rates that they were charging, that it was seriously interfering with export trade, so far as our line was concerned.

We believe that every exporter has had about the same experience as we have had and that the attitude of the steamship lines in exacting the highest possible ocean freight charge had very seriously interfered with a great number of manufacturers, who were breaking into the export market, in being able to market their products and get a foothold at the right time.

The steamship companies have practically adopted the attitude of only making reductions where ocean freight competition from this side rendered such reduction necessary. They would not listen to any statements which we had to make regarding German or other competition and notwithstanding the fact that we had reduced our prices to practically cost, no compensating reduction was made in freight charges, and the consequence is that as regards the U.K. and other places, because of this attitude, the European continental manufacturers have now regained practically the greater portion of the trade which they enjoyed prior to the war, in such lines as we manufacture.

Ocean freight rates at the present time are far too high. British companies are operating from U.K. ports to Vancouver by the Panama canal and laying goods down there at about the same rates as the steamship companies are requesting for shipments from Canadian Atlantic ports to U.K. ports.

The communication concludes as follows:

The object of this letter is to point out to you these conditions and to see if the department cannot be of service in securing such radical reductions in freight rates to the other export markets of the world, that will enable Canadian manufacturers to get thoroughly established in these other places and our products introduced there and connection established before it is too late.

We remain,

Yours truly,

THE SHEET METAL PRODUCTS CO. OF CANADA, LTD.

James Mayor,
Traffic Manager.

The last communication is from the Ontario government. Within the past few weeks there has been laid on the table of the legislature in Toronto the report of the Agricultural Inquiry committee. This report states:

The committee held fifty-four meetings throughout the province; also conferences with representatives of the railways, manufacturers, wholesale, retail and labour organizations and authorities on economic and social conditions, and accomplished a survey of farming conditions in Ontario by questionnaires sent to wardens, township clerks and agriculturists.

A section is devoted to ocean cattle rates, and I think I had better read it to the House. I would ask hon. members to realize that this is a quotation from a report of a committee

appointed by the Ontario government. I have read one communication from the Alberta government. This is from the Ontario government—a Tory government that my hon. friends opposite, I think, will vouch for.

Mr. CALDWELL: What is the date?

Mr. MACKENZIE KING: The report was laid on the table of the Ontario House just a few days ago, and this summary, I understand, was released to the press on February 24, this year. I have tried to get a copy of the report itself, but I am advised that it will not be printed for another day or two. Now for the quotation:

Ocean rates hold down export trade to Britain. It is true that 1924 shows the largest shipping of any year since the embargo was removed, running 80,000 head. But it is obvious that Ontario alone is capable of producing beef cattle in volume far exceeding the present export trade. A special bulletin of the Dominion Department of Agriculture in 1923 welcomed removal of the embargo as a new order of things warranting official experiments in the shipment of steers to England. The experiments were intended to demonstrate to cattle raisers that live cattle realize considerably higher returns than chilled beef shipments. This committee has followed shipments from western Ontario to England conducted by men experienced in the cattle trade and the results showed that as many were unprofitable as profitable. One of the first witnesses before this committee said: "I am the only farmer in a ten-mile area who has cattle for export in his barn. I have 95 acres and from 50 to 55 cattle. There are a hundred others at least who could feed and accommodate as many in the section. They have the barns. But they do not enter the trade because there is no profit in it. Ontario should be able to ship as many live cattle to England as does Ireland. It would mean prosperity to the province. The market is in England for as many as we can send, no matter what they say about the dead meat trade. The business does not prosper because it is without the attraction of profit."

The potential power of Ontario to engage in the movement of live cattle to Britain cannot be fully developed because of existing influences. Mr. Shamberg of New York is the chief buyer for export. Mr. Shamberg's agents are in the Union Stock Yards, Toronto; in the office of the International Mercantile Marine at No. 1 Broadway, New York, and at the British ports. The committee satisfied itself that the usefulness of the Canadian Government Merchant Marine is limited by the North Atlantic freight conference. It came to the conclusion that with his widespread power and influence Mr. Shamberg controls the profits of Ontario cattle raisers. He has inside information at all times by reason of which he can cancel optioned spaces or send his own cattle according to the trend of the market. The less optimistic in Ontario have been driven out and the industry is not what it should be.

Correspondence with the Dominion government in August last is quoted and the report goes on to say, "Inasmuch as definite action by the Dominion government was thus implied, the committee thought it inadvisable to carry investigation further. The committee recommends that the Ontario government strongly urge upon the Dominion government full consideration of the interests and requirements of Ontario shippers in whatever federal policy may be decided upon to secure reduction of ocean rates."

[Mr. Mackenzie King.]

Mr. MEIGHEN: Is that a report of an agricultural committee laid on the table of the Ontario House?

Mr. MACKENZIE KING: I may tell my right hon. friend how I came across this.

Mr. MEIGHEN: I do not mind that; I want to know what it is.

Mr. MACKENZIE KING: I should like to give him this information because it is illuminating. My hon. friend the Minister of Justice (Mr. Lapointe) directed my attention to an article in the London Times from its Toronto correspondent to the effect that there had been laid on the table of the Ontario legislature the report of a special committee on Agriculture, complaining of the high ocean cattle rates. I immediately communicated with Toronto and endeavoured to get a copy of the report. I was told that the report would not be printed for another day or two, but I was sent the official release given by the government to the press containing a summary of the report of the agricultural inquiry committee appointed by the Ontario legislature in 1924. That is the summary I have quoted from.

Mr. MEIGHEN: A committee of the Ontario legislature?

Mr. MACKENZIE KING: Yes, recommending:

That the Ontario government strongly urge upon the Dominion government full consideration of the interests and requirements of Ontario shippers in whatever federal policy may be decided upon to secure reduction of ocean rates.

So the last word we have comes from another provincial government directing attention to the fact that a large and important industry of the province is suffering through the high ocean rates and asking that this federal government should have regard to the interests of the province of Ontario, just as the Alberta government asked us to have regard to the interests of the province of Alberta, in our policy for the reduction of Atlantic ocean rates on cattle, if such reduction were possible.

I want to say a further word in regard to these rates of freight on Canadian flour on the north Atlantic. I mentioned a moment ago that a subcommittee of the Imperial Shipping committee had held an inquiry in Canada, and they have submitted an official report. The report makes it quite apparent that a combine was operating on the Atlantic to the detriment of Canadian millers; that flour was being shipped from United States ports to Great Britain and European ports at

a lower rate than from Canadian ports. The concluding paragraph is as follows:

After careful discussion both with the ship owners and the millers, our subcommittee, while in Canada, received an assurance (printed in appendix II) from the Montreal steamship lines acting in conference, that they will not in future request the New York lines, members of the North Atlantic Freight Conference, to quote Montreal rates on Canadian flour shipped through any United States port. This promise was accepted as satisfactory by the millers in Canada. Further, in view of this undertaking by the Montreal lines, the principal British lines engaged in the north Atlantic trade have since assured us that they will in future quote the same rates from United States ports on Canadian flour as on American flour. These assurances are of considerable importance in that they definitely remove the risk of any recurrence of similar discrimination in this form, and we therefore feel that the fact that they have been given should become generally known at once.

It is interesting to note, in connection with this report, the way in which that change has been brought about in the rate on flour. After this pressure has been brought to bear upon them, the steamship companies undertake on behalf of the Canadian group that they will not ask the American group to do in future a certain thing which they have been doing in the past, thereby establishing the fact that flour, which was supposed not to be on the list of commodities affected by the conference, has as a matter of fact been affected like these other commodities by arrangements between the two groups. The letter that gives the assurance is as follows:

THE ROBERT REFORD COMPANY, LIMITED,
20 Hospital street,
Montreal,
19th April, 1924.

Sir HALFORD MACKINDER,
Chairman,
Imperial Shipping Committee,
Montreal.

Dear Sir Halford,—As requested, I beg to confirm the understanding reached yesterday that the Montreal steamship lines, acting in conference, undertake that they will not request the New York lines, members of the north Atlantic freight conference, to quote Montreal rates on Canadian flour shipped through any United States port.

Yours sincerely,

WILLIAM I. GEAR,
Representing Montreal
Shipping Interests.

This is the promise we have to rely upon as to future avoidance of discrimination against shipments from Canadian ports as compared with shipments from American ports.

Hon. members have seen the report of the Royal Grain Inquiry Commission. I would like to direct their attention to a paragraph that appears on page 204, in the special report made by Mr. Scott upon shipments of grain from Canadian ports and the rates charged thereupon as compared with the rates from American ports. I quote:

So that, western province grain exported via New York has to be carried 800 miles further than if it were shipped at Quebec, or about 650 miles further than if sent all rail to Montreal.

The all-water rate—lake and canal—from Fort William to Montreal was 12½ to 14 cents per bushel in October, and although four cents cheaper than the through rate to New York, the latter secured 74 per cent of the business.

To what, then, is to be attributed this diversion of our western export grain to United States seaports?

The report goes on to answer this question. It says, page 206:

It will be seen from the above, that, although the cost of shipping via Buffalo to New York, is about 1½ cent dearer than by the Georgian bay to Montreal, and nearly 2½ cents dearer than by the all-water route, from Fort William to Montreal, New York and other United States seaports continue to capture from 65 to 75 per cent of our export grain trade.

Notwithstanding the fact that New York is 500 miles further from Liverpool than Quebec is, ocean rates of freight from New York to Europe are considerably cheaper than from the St. Lawrence.

For instance, in October, 1923,—October is the busy month for Canadian grain shipments—the ocean rate from New York to Liverpool was ⅜ or 6¾ cents per bushel, whilst the rate from Montreal was 3s. per quarter or 9 cents per bushel, a difference in favour of New York of 2¼ cents per bushel. Authorities most familiar with the trade state that the spread in ocean rates, as between Montreal and New York, averages one shilling per quarter of 480 pounds to United Kingdom ports, which is equal to three cents per bushel, in favour of New York.

I think that is enough to show that so far as the grain trade is concerned—

Mr. MEIGHEN: That is Mr. Scott's single report?

Mr. MACKENZIE KING: Yes. He was asked by the commissioners to report specially on that trade, and he did so.

Mr. MEIGHEN: A minority report.

Mr. MACKENZIE KING: I understand it is accepted by the other commissioners. He was asked to make a special report on that phase of it.

Mr. MEIGHEN: Why did they not sign it?

Mr. MACKENZIE KING: Well, Mr. Scott makes that very plain. In the opening of his report, which is addressed to Mr. Turgeon, the chairman. He says:

At the last meeting of the members of the Royal Grain Inquiry Commission at Winnipeg on the 29th April, 1924, you and other gentlemen composing the commission—Dean Rutherford and Professor McGibbon —did me the honour to request that I should draw up a memorandum of my views as to transportation, in order that the same be attached to the original report of the commission.

And he goes on to explain that he has gone into the figures; he states simply what is a matter of record and of fact.

Mr. Speaker, the point I wish now to refer to more particularly is the matter of the actual rates that are being charged. I have in my hand a statement which has been compiled by the Bureau of Statistics—a comparative statement of the average ocean rates on grain from Montreal to Liverpool and from New York to Liverpool over a period of years. The statement is very detailed but I have had an abstract made from it and I think the abstract will give the facts with accuracy. These are the figures for the average ocean rates, in cents per bushel:

Year	Montreal to Liverpool	New York to Liverpool
1912	7.52	7.34
1914	7.04	5.51
1921	17.25	17.10
1922	7.82	7.70
1923	7.93	6.07
1924	9.06	7.09

I have skipped the war years, because during that period there were times when no rates were quoted. Hon members will notice the jump from 7.04 to in 1914, Montreal to Liverpool, to 17.25 in 1921, and from 5.51, New York to Liverpool, to 17.10 in the same period. A study of these figures will show that the rates from New York to Liverpool seem to become proportionately increasingly lower than the rates from Montreal to Liverpool, and that in consequence the differential is becoming greater in favour of steamships sailing between New York and Liverpool than those sailing from Canadian ports to Liverpool. That means, of course, that the grain of this country will tend to be diverted more and more to American railways and American ports at a time when we are trying to build up our National railways and to build up Canadian trade by Canadian ports, and to help develop Canadian shipping.

Mr. MEIGHEN What is the authority for the figures?

Mr. MACKENZIE KING: I have a detailed statement here from the Dominion Bureau of Statistics, Internal Trade branch, which gives the whole matter in detail month by month, and it is from this I have taken the figures.

Mr. MEIGHEN: Will the Prime Minister table the statement?

Mr. MACKENZIE KING: Yes, with pleasure. I table it now.

Now I come to what seems to me, Mr. Speaker, the crux of the whole situation. It will be argued that ocean rates have risen in consequence of the increased cost of ocean transportation, and of conditions as they have been since the war. No one will deny that it was to be expected that ocean rates would rise somewhat, but I would point out that everything that can be said with respect to the increase of rates on the ocean can be said with equal, or greater force with respect to the increase of rates by rail, and the essential feature which this House should consider is whether the increases in ocean rates are fair as compared with the increases in rates by rail. In the one case, in railway rates, you have a controlled situation. You have a railway commission that has control of railway rates; it controls the rates, having regard to the return on capital invested, having regard to the wages that are being paid to labour, and having regard to the interests of the travelling and shipping public. But so far as ocean rates are concerned, there is no control save that which is exercised by this conference itself; there is no control on the part of the public, and I submit, Mr. Speaker, that if it is discovered that ocean rates by comparison are out of all proportion with the increases that have taken place on the railways, this government has established to the full a case demanding the immediate attention of this House by way of legislation to effectively reduce ocean rates.

Mr. STEVENS: Would the Prime Minister permit me a question? Assuming that this measure passes and the government fixes ocean rates, will the government fix them upon the same basis as just mentioned by the Prime Minister?

Mr. MACKENZIE KING: Well, so far as the present contract is concerned, the government is free to fix whatever rates it pleases, and it intends to exercise its judgment as to the rates it will fix, and the rates will be fixed with a view to testing out the situation on the Atlantic.

Mr. STEVENS: The Prime Minister, I think, has not apprehended my question. The Prime Minister has stated that there is virtually control over railway rates in the railway board, which fixes the railway rates having regard to the return on the capital invested, wages paid, and the cost of operation. I ask the question now whether the Prime Minister, when he comes to fix the rates on ocean traffic, will have regard to the same factors, the return on capital invested, the wages paid, and the cost of operation.

Mr. MACKENZIE KING: I will answer that by saying that the government in fixing ocean rates will endeavour to have regard to the rates charged on the railways, where regard is being had to the factors to which my hon. friend has alluded.

May I point out at once that so far as this discussion is concerned, it is really immaterial whether a combine exists or does not exist. May I say to the House, as I mentioned to my hon. friend the other night, that I believe in these days of world competition large organization of industry is essential, and something in the nature of combined effort; but just because I believe it is necessary, just because I believe it is certain to come, I believe the more strongly in the necessity of some control over these all powerful organizations; and that is the situation which is presenting itself on the Atlantic ocean at the present time. These companies are left to themselves to make arrangements as to steamship rates. In making those arrangements, if one judges by the rates that are quoted, it would appear that the public interest is not considered to anything like the extent of the interest of the other parties involved in the transaction. In a word, to carry on industry, capital is necessary, labour is necessary, management is necessary, and the public, as a consuming and producing entity, is also a necessary factor. All four are entitled to due consideration. I think the facts will show that so far as ocean rates are concerned, the public, if it has been considered at all, has been considered in a very remote way.

I have in my hand two receipts that speak for themselves. They were sent to me by an agent of steamship and railway lines in an Ontario constituency. They are two receipts that were in his possession which disclose the rates charged on the ocean and by rail on immigrants coming from Great Britain to Canada. The receipt of April 1, 1914, shows the third class ocean fare for one person as $32.50, and the Canadian railway fare from the port of landing to a locality in the constituency mentioned as $8.70. The other receipt is dated April 19, 1924, ten years later. It shows the third class steamship rate as $75, or an increase of 130 per cent over the rate in 1914, and the railway rate for the same distance is $15.70, or an increase of 81 per cent. In other words, the ocean rate, judging by these two receipts, had increased by 130 per cent, while the railway rate for the same distance, had increased by only 81 per cent. Now will anyone say for a moment that the railways have not been subjected to just as important consideration in the matter of their rates as ocean transports? As a matter of fact, ocean rates for labour have not gone up as much as rates for labour on the railways. The railways have to look after the maintenance of roadbed, a costly business; there is no roadbed maintenance in the case of steamship companies. Great stress has been laid on the fact that immigrants are treated much more comfortably on the steamships to-day; but the same may be said of their treatment by the railways. Take, for instance, the expenditure on railway stations, and the accommodation provided for immigrants at the ports of landing on colonist sleepers and the like. The railway accommodation is very much better to-day than it was ten years ago. In all of these particulars I think it can be urged with fairness that the railways have been subjected to just as much in the way of increased cost as the steamship companies; and yet when you come to look at the charges you find that the increase in ocean rates is infinitely higher than the increase in railway rates.

I have in my hand the reply that has been prepared by the steamship lines to the report of Mr. Preston. I am not going to take Mr. Preston's figures, but I will take from this publication the figures of the steamship companies themselves as to the increased rates they are charging, and let us see how they compare with the increase in railway rates. In the first place, I would direct the attention of the House to the fact that on March 1, 1924, there appears to have been as respects ocean rates an increase all along the line, an increase on every article mentioned. It is quoted here, in the pamphlet prepared by the steamship companies. The increases in the rates on the different commodities mentioned, taking only the figures as given by the steamship lines themselves are as follows—and these figures show only the increase in February, 1924, as compared with 1914, they do not include further increases that were made on March 1st of last year:

Commodity	Increase per cent
Agricultural implements	73
Automobile tires	127
Flour	58
Leather	122
Measurement goods—Coarse	215
Measurement goods—Fine	100
Weight goods	179

Now, I have gone to some trouble to make comparisons with these commodities and a few others, taking the actual rates given by the railway commission on commodities shipped by railway through the localities where these commodities are actually moving and

comparing them with the rates as set out by the steamship companies themselves for the commodities which they carry. The statement I am now going to give shows the export rail freight on a number of commodities per hundred pounds and carload lots from the places named to Montreal in the years 1914 to 1924. I will not read all the figures but I should like the permission of the House to place the entire statement on Hansard:

Statement showing Export Rail Freight Rates on a Number of Commodities, Per 100 Pounds, in Carload Lots, From Places Named to Montreal: 1914-1924

Commodities	1914	1924	Increase	Increase per cent
Cured Meats from Winnipeg, Man.	.63	.91	.28	44.4
Cured Meats from Edmonton, Alta.	1.15	1.40	.25	21.7
Canned Vegetables from Simcoe, Ont.	.20	.39	.19	95.0
Canned Vegetables from Trenton, Ont.	.15	.34	.19	126.7
Cheese from Woodstock, Ont.	.34½	.65½	.31	89.9
Butter from London, Ont.	.34½	.67	.32½	94.2
Flour from Bay Ports.	.11	.17½	.6½	59.1
Flour from Fort William, Ont.	.20	.35½	.15½	77.5
Automobiles from Windsor, Ont.	.62	1.19	.57	91.9
Rubber Tires from Toronto, Ont.	.30	.60	.30	100.0
Rubber Tires from Kitchener, Ont.	.33	.64	.31	93.9
Rail Revenue all commodities per ton-mile	.742	.987	.245	33.0

Now comparing the ocean rates in various commodities what are the figures?—

Statement showing ocean freight rates on a number of commodities from Eastern Canada ports to United Kingdom ports

July 1914—July 1924

Commodities	July 1914	July 1924	Increase	% Increase
Provisions, per 100 lbs.	23.63c.	.50c.	26.37c.	111.6%
Canned Vegetables, per 100 lbs.	17.09c.	.50c.	32.91c.	192.6%
Cheese, per 100 lbs.	31.32c.	.60c. to .70c.	28.68c. & 38.68c.	91.6% to 123.5%
Butter per 100 lbs.	37.2c.	1.00	62.98c.	170.1%
Flour, per 100 lbs.	12c.	.19 & .22c.	.07 & .10c.	58.3 & 83.3%
Automobiles, per cu. ft.	10.40c.	.25c.	14.60c.	140.4%
Rubber Tires, per cu. ft.	11.025c.	.25c.	13.975c.	126.8%

It will be seen that in all cases the percentage increase in ocean rates is considerably, in some cases, vastly, in excess of the increase of railway rates. With respect to the wages increase paid by the railways as compared with that paid by the ocean carriers the following table has been prepared by the Canadian National Railways:

WAGE INCREASES PAID BY RAILWAYS COMPARED WITH OCEAN CARRIERS

Wages	Ocean 1914	Rail 1914	Ocean 1924	Rail 1923	Increase Ocean	Increase Rail	% Increase Ocean	% Increase Rail
Per man hour		26.2c.		57.3c.		31.1c.		118.7
Crew per month (8,100 ton deadweight Standard steamer under United Kingdom articles)	$1,188.60		$2,274 00		$1,085.40		91.3	

In other words the ocean rate of wages was represented by 91.3 per cent of an increase as against 118.7 per cent increase by the railways. The prices of carrying commodities, on the other hand, have increased very much more on the ocean than they have on the railways. Taking the figures for the list of commodities mentioned on page 24 of the steamship companies' report and comparing them with railway rates I find the figures to be as follows:

Comparative Statement of Ocean and Railway Freight Rates (Years 1914 and 1924)

Railway Freight Rates (per 100 pounds) (Carload lots)

	1914	1924	Increase
Agricultural implements: (Toronto-St. John)	17½c.	33½c.	91%
Automobiles: (Oshawa-St. John)	57½c.	74c.	29%
Automobile tires: (Oshawa-St. John)	36½c.	66c.	81%
Flour: (Winnipeg-St. John)	31½c.	50½c.	60%
Leather: (Toronto-St. John)	26c.	46c.	77%

Ocean Freight Rates

	1914	1924	Increase
Agricultural implements: (per 100 lbs.)	30.92c.	89.3c.	188%
Automobiles: (per cu. ft.)	13.38c.	25c.	87%
Automobile tires: (per cu. ft.)	11.02c.	25c.	123%
Flour: (per 100 lbs.)	12c.	20c.	67%
Leather: (per 100 lbs.)	45c.	85c.	89%
	33.75c.	85c.	151%

When we come to passenger rates the increases become even more apparent. Here again I take for ocean rates the figures quoted by the steamship companies themselves and which are to be found at page 38 of their report. The railway rates are from official records.

Comparative Statement
of
Ocean and Railway Passenger Rates
(Years 1913 and 1924)
Railway Passenger Rates
(Montreal to Winnipeg)

	First Class passenger for	Immigrant Fare
1913	$37 85	$18 00
1924	48 00	25 00
	(An increase over 1913 rates of 27 per cent.)	(An increase over 1913 rates of 39 per cent.)

Ocean Passenger Rates

	First Class Fare (Minimum)	Third Class Fare (Minimum)
1913	$ 85 00	$31 25
1924	195 00	82 50
	(An increase over 1913 rates of 129 per cent.)	(An increase over 1913 rates of 168 per cent.)

An hon. MEMBER: What about the accommodation?

Mr. MACKENZIE KING: The improvement in accommodation during that time, if not greater, has been quite as great on the railways as it has been on the steamships. I wish to direct the attention of the House particularly to these figures because they illustrate in a concrete and simple way the difference between the controlled rates on land and the uncontrolled rates on the ocean. In the case of first class passengers in ten years there has been an increase in the rates charged, of 27 per cent on land, and of 129 per cent on sea. In the case of immigrants the increase amounts to 39 per cent on land and 168 per cent on the ocean. In view of figures of such a character, which cannot be disputed, I submit that the ocean rates, uncontrolled as they are, show a vast disparity as compared with the railway rates, and the obvious necessity of controlling the ocean rates becomes apparent the minute these figures are considered. I had intended to say something further about the immigration rates but I will spare the House any further details on that score at the moment. Let me hasten to a conclusion in what I wish further to bring out. I contend, Mr. Speaker, that apart altogether from any representations that have been made in any report by Mr. Preston, a comparison of the railway rates to-day with ocean rates will show a vast increase in the percentage of increase on the ocean as compared with the increase that has taken place on the land, and hence the necessity for some speedy method of effective control of ocean rates is obvious.

10 p.m.

As regards the question of a method of ocean control, only two or three alternatives present themselves. One is that the government itself should seek to build its own merchant marine and enter into competition with this vast and powerful combine. Another is that the government should endeavour to bring about some form of control by a commission. The third is that the government should take some such step as that which we are taking at the present time of making an arrangement with a private company of giving them in return for receiving the right to control the rates a fair consideration. Apart from those three, nothing remains other than to let matters stand as they are.

Just a word with respect to each one of these three in turn. As to the government undertaking to build additional ships to compete with the combine itself, that matter was gone into very fully the other evening by the Minister of Railways and Canals (Mr. Graham), who pointed out that if a step of that kind was to be taken, the time to have taken it was when the government was building a merchant marine, when it had ships ready to launch and was in a position to make these ships suitable for this particular trade. Members have asked: Why cannot the present merchant marine be used for the purpose? The answer is that ships of the merchant marine capable of handling the north Atlantic trade are few in number and are already employed on other routes in accordance with treaties that have been arrived at between different countries and Canada or are employed in large part on the Pacific ocean, in response to public need between Pacific ports and Australia and New Zealand, and are the only profitable part of the merchant marine ships at the present time. I do not think this House would feel that the government would be justified in taking out of the merchant marine at this time, when the deficits of the merchant marine are what they are, the few

ships that are really proving an investment and putting them on the Atlantic route to fight the combine. I think it can be shown that in order effectively to combat a combine, such as exists on the Atlantic ocean, it is essential, whatever steamship line undertakes the work, that it should have facilities in Europe and the Old Country as well as in this country.

*An hon. MEMBER: Why is it that the Canadian Government Merchant Marine have been losing so much money when they were charging the exorbitant rates that are being charged by the combine? Is there any definite reason for that?

Mr. MACKENZIE KING: I cannot tell my hon. friend the reason for that excepting that there was a differential, discriminating against Canadian ports and possibly the rates may have been so high that they were not getting any business. That is one reason and I think it is a very sound reason.

Mr. HOEY: Will the Prime Minister explain why they were in the combine at all?

Mr. MACKENZIE KING: I would answer that by saying to my hon. friend that the merchant marine is first of all under the control of the Canadian National Railways, not under the control of the government and the Canadian National Railways evidently felt that it was to their interest to have these ships in the combine. I presume that all such companies have their associations in matters of business and that the Canadian National Railways probably felt that if they were to get business at all through this merchant marine associated with them, it was necessary that they should fall into line with the other ships on the Atlantic or be boycotted by the conference. That is my understanding of the situation. Had they been boycotted, probably the position of the merchant marine would have been worse than it is at the present time.

Mr. SPENCER: Why was the Canadian Government Merchant Marine taken out of the combine?

Mr. MACKENZIE KING: I think it was taken out finally, out of deference to views expressed in this House.

Mr. MEIGHEN: When was it taken out?

Mr. MACKENZIE KING: Very recently.

Mr. MEIGHEN: Only a matter of days ago.

Mr. MACKENZIE KING: I think it was only a few days ago. I cannot answer the question definitely.

Mr. IRVINE: How does the government propose to prevent the combine from boycotting these ten ships?

Mr. MACKENZIE KING: My hon. friend has put his finger on the right spot. As regards these ten ships, it is up to Sir William Petersen to demonstrate how he can do that. He contends that he is fortunately in a position, through his knowledge of shipping conditions and through his associations and the interests he has, to enter into this fight if he gets the backing which he is getting at the present time. He has—and this brings out the very point which I was trying to bring out a moment ago—docks of his own in the Old Country, docks which he controls. He has relations with business interests there and other shipping interests which he himself controls to enable him to carry on, as he believes, this fight successfully. He can do it in a manner in which the government merchant marine could not begin to do it. This government owns nothing in the way of docking facilities in Great Britain or Europe. It has not the associations which Sir William Petersen's company has. He is prepared to enter into this fight. It remains to be seen whether he will be successful or not.

Mr. MEIGHEN: What other interests has the Prime Minister in mind that Sir William Petersen is associated with, that are going to give him so much courage?

Mr. MACKENZIE KING: He has large business associations and he would not be going into this venture if he had not. He has been a very successful shipper, as my right hon. friend knows.

Mr. MEIGHEN: So has the government of Canada.

Mr. MACKENZIE KING: Not in the same way as Sir William Petersen has. At any rate, the point that is important for the House to consider is that, while Sir William Petersen may not be successful in demonstrating the lower rates at which commodities can be carried across the Atlantic profitably, he is prepared to take his risk on that. This government is taking no risk in the matter. Sir William receives no payment whatever unless he is successful. The position is very different when you suggest that the government should ask the merchant marine to go into this competition. The merchant marine is costing this country some eight million dollars in deficits. Would this House

*(Mr. Forke. See p. 1307.)

countenance this government putting the merchant marine into this fight, and would it be possible for the government to make an arrangement with the merchant marine such as has been made with this private company?

Mr. STEVENS: Will Sir William Petersen's ships be under British or Canadian registry?

Mr. MACKENZIE KING: I do not know. They may be under both, so far as I am concerned. I cannot answer the question, but I have no doubt they will be under the right registry, whatever it is.

Mr. STEVENS: Is the Prime Minister not aware that ships operating under British registry can operate much more cheaply than ships operating under Canadian registry? That is one of the handicaps of the Canadian Government Merchant Marine. They are operating under the more expensive Canadian registry which makes it difficult for them to compete with ships operating under British registry.

Mr. MACKENZIE KING: That shows where Sir William Petersen will have an advantage in his endeavour to fight the combine.

Mr. STEVENS: An hour or two ago the Prime Minister said that he had made the same offer to Canadian shipping companies. Did he limit that to Canadian shipping companies whose ships are under Canadian registry?

Mr. MACKENZIE KING: No, there were no limitations at all in the offer that was made. I do not wish to take up further time in discussing the merchant marine. As I say, that phase was gone into very fully by the Minister of Railways and Canals the other evening.

Mr. KENNEDY (Edmonton): Has the combine taken any step or steps in any way to cripple the merchant marine since it was taken out of the combine?

Mr MACKENZIE KING: I have not heard of that, and I would be surprised if they had. Let me add this fact that one of the clauses in the contract with Sir William Petersen is that these ships which he is putting on the Atlantic are to work in conjunction with the Canadian National Railways and with the Canadian Government Merchant Marine. The probabilities are that, through co-operation in that regard, it may be possible to utilize even the merchant marine ships to greater advantage than it has been possible to do thus far.

Another alternative to the use of the government merchant marine is the one suggested in the amendment, namely control by a commission.

I need not emphasize the fact that commission control, so far as this country alone is concerned, is not a factor that can be considered; any control to be at all effective would have to be by means of international co-operation. The hon. gentleman suggests in his amendment that the different parts of the empire should unite to form a commission to control rates. Let us hope that this step will be taken; but thus far nothing has appeared to lead us to believe that the self governing Dominions and Great Britain are likely to come together in an effective way without a good deal of public opinion being aroused in the first instance; without some demonstration to bring matters nearer home than heretofore has been the case. Moreover, it is certain that a very considerable period would elapse before such a step could be taken. As was pointed out by the Minister of Railways (Mr. Graham) the matter was brought to the attention of the British government in Sir Wilfrid Laurier's day; it was brought to the attention of the British authorities by a communication prepared by the then chairman of the Board of Railway Commissioners for Canada, the late Mr. Justice Mabee. But there was nothing effective accomplished in consequence, as the correspondence shows. I referred this afternoon to the visit to Great Britain of the hon. member for West York (Sir Henry Drayton) as chairman at that time of the railway commission, with the same end in view. And other correspondence has gone to show that over and over again efforts have been made to have the Imperial Shipping committee take some action; up to the present time those efforts have failed. Is it likely therefore that any step will be taken without in the first instance some action such as is now proposed to give a lead in the matter?

Mr. MEIGHEN: When and by whom were steps taken to have the Imperial Shipping committee take any action?

Mr. MACKENZIE KING: If my right hon. friend will read the correspondence addressed to himself by Sir George Perley he will see that Sir George Perley spoke of Sir Robert Borden having been more or less responsible for bringing the committee into being for this purpose; that was one step; and he will find that Sir George Perley suggested that someone had better be sent over with

Canada's case worked out so that the matter might be presented. That would have been another step, only my hon. friend did not follow it up.

Mr. MEIGHEN: This government has not made an effort in that direction.

Mr. MACKENZIE KING: Yes; this government had a sub-committee of the Imperial Shipping committee working on flour rates, and at the present time on our representation the committee is working on insurance. But the progress is so slow that I confess we have not much hope of getting results speedily; and as for any general control, as the Minister of Railways explained the other night, the communication which was sent back from His Majesty's government suggested that it was too remote a consideration to be regarded as practicable.

Mr. MEIGHEN: When was this?

Mr. MACKENZIE KING: The communication which was addressed to the British government in Sir Wilfrid Laurier's day. That should be sufficient to show that the matter has been before Great Britain for some time at least. Now, as I say, the alternatives are as between the government undertaking its own work of building ships, or relying upon this vague and remote control of an empire conference, which has been suggested in the amendment of my hon. friend; or, finally, taking some such step as the one now proposed, of giving a subsidy to a line which is prepared to put a certain number of ships in operation and give to the government the right of fixing rates.

Let me point out historically the steps taken in this country with respect to the control of transportation rates. I will show how this came about with respect to railway rates and hon. members will see whether or not there is any parallel between what is now proposed and what was already done in that regard. As hon. gentlemen know, the Board of Railway Commissioners was established in 1903. Before 1903 there was no body controlling railway rates; the rates were left to the control of private companies as well as to such control as parliament exercised. We have heard a good deal lately in this House and in the country of an agreement passed in 1897, known as the Crowsnest pass agreement, which contained a provision that if that subsidy was to be paid to the railway company the company, in return, was not to charge above certain rates with respect to certain commodities in western Canada. And we have seen hon. gentlemen of the Progressive party upholding that agreement in the strongest possible terms. Now wherein is the difference between that principle and the present step which this government proposes in regard to the Petersen agreement? What was done at that time was to give a subsidy to a railway, with a condition attached fixing the rates that should be charged on certain commodities over a certain territory. That was before there was any body established by parliament to control rates; and that was the step taken in 1897 some seven years before the railway commission itself came into being. It was a step, let me say, which served effectively in helping to bring about rate control; and this government at the present time in this proposal to parliament is simply following Liberal precedents. It was a Liberal government that established the Crowsnest pass agreement limited rate control and it was a Liberal government as well that established the railway commission to control rates. The present administration is following to-day precisely similar steps in regard to ocean rates, which to-day are under no control. We are taking as the first step the right to fix maximum rates on the ocean for certain commodities, giving a certain subsidy in return for that right. If the day comes, as my hon. friend in his amendment hopes, when there will be a commission controlling ocean rates, then it will be time to consider whether or not the step now taken has been adequate for the purpose it is intended to serve and has served its day and generation. But I submit to hon. gentlemen opposite that the course which the government is taking in this regard is on all fours, with respect to the controlling of ocean rates, with the step taken by the government of Sir Wilfrid Laurier with a view to controlling certain railway rates prior to the time the railway commission was created.

I would ask hon. gentlemen again to reflect that so far as this particular payment to be made to the Petersen company is concerned, it differs from the ordinary subsidy, so called, in being not merely a payment to a steamship line for certain services to be performed, but in being a payment for the right of the government to control the rates that shall apply to that service. At the present time we are paying a considerable subsidy to the Royal Mail Steam Packet Company, whose ships ply between Canada and the West Indies. That company receives annually the sum of $340,000, or $85,000 per ship; and that subsidy is paid simply for the service; it is not paid in return for the right of controlling rates, as is the case with the present contract.

Take the Union Steamship Company of New Zealand. That company now receives a subsidy of $100,000 from this government, formerly it received $130,000. But in addition to that it receives a subsidy from New Zealand and one from Fiji, amounting to $219,000, or a subsidy per ship of $109,500, almost as great, when you reduce it to a rate per ship, as the subsidy we propose to pay the Petersen line, which is $130,000 per ship as figured out. And yet in the case of the Union company, plying between New Zealand and Canada, the subsidy is given simply for the running of the ships. In the present case the amount is paid only on condition that the ships shall carry the commodities at rates to be fixed under government control.

Mr. MEIGHEN: Are not the mails carried under those other subsidies?

Mr. MACKENZIE KING: Yes, my hon. friend is right.

Mr. MEIGHEN: And do they not usually amount to more than the cargo rate?

Mr. MACKENZIE KING: Yes. But I would remind my hon. friend that he himself has not been far removed from suggesting precisely this method of dealing with transportation rates. He was complaining the other day that he had not an opportunity to bring before the House a resolution of his own which appears on the order paper. Let me read for him the last clause of that resolution:

That to enable the products of the western and Maritime provinces to reach more readily the markets so developed the special transportation burdens borne by those provinces should be shared by the whole Dominion either by contribution to long haul freight costs or by assistance in some other form.

In other words, my right hon. friend suggests that this government should subsidize the railways for the long haul. What he has not brought out is the fact that while you may be helping the railways in that way, you are not necessarily helping the producing or consuming interests of this country. It has been pretty clearly demonstrated in this debate, that if every reduction of railway rates is to be offset by an increase in ocean rates, particulary where the same company owns steamers as well as railways, the exporters of this country are not going to gain very much advantage. There is the crux of the whole situation. Reduce the rates on the ocean and you will find very soon that the export trade of this country will develop by leaps and bounds in a manner heretofore unknown. It is the high ocean rates which, to the disadvantage of exports, have been eating up little by little all the advantages gained by control of railway rates.

I would ask hon. members to look at the terms of this contract. As drawn the country can lose nothing from any failure by the contractor. The worst that can happen is that we will be just where we are at present—still at the mercy of conditions as they are. On the other hand, if this contract is carried out from year to year, we will soon discover what is possible in the way of reduction of ocean rates. And once there begins to ply across the ocean a line of steamers on which the rates from Canada to the British Isles are at a particular figure, we will very soon see whether or not other shipping companies will not fall into line. I would add this further thought. There is no guarantee whatever, as matters stand, that further increases will not come rapidly upon the Atlantic. Here at least is one check in that regard. What does the contract state? First of all, that these ships shall ply between Canadian ports. That does not confine the service to Atlantic ports, it is equally applicable to Pacific ports.

Mr. LADNER: Does the Prime Minister say that the Petersen ships cannot call at foreign ports too?

Mr. MACKENZIE KING: They go from Canadian to European or British ports.

Mr. LADNER: Can they call at American ports and take cargo?

Mr. MACKENZIE KING: They have to proceed with all despatch to destination, to British or other ports. As to the next feature, they are to operate independently of this combine. Then there is the clause to which I wish to draw special attention:

(d) That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix such transportation rates on all commodities from time to time.

As I intimated the other night, such rates as are fixed on commodities will be confined to Canadian commodities. The words, "Canadian in origin" will precede whatever rates the government may fix. But these rates cover all classes of commodities. In addition, these vessels are to be fitted up with proper provision for perishable and partly perishable produce by means of cold storage facilities.

Mr. McQUARRIE: Might I ask the Prime Minister how many voyages per year these vessels will be required to make?

Mr. MACKENZIE KING: They are required to make all they can I think.

Mr. RYCKMAN: No, absolutely not.

Mr. MACKENZIE KING: Perhaps my hon. friend will stand up and tell us why not.

Mr. RYCKMAN: They are not. They are called upon to prosecute any voyage they undertake with all possible despatch. But before the voyage is undertaken there is no covenant whatever. And in clause (d) which the Prime Minister refers to there is no obligation whatever upon Petersen or his company to carry out the contract, and I hope to show it before this debate is through.

Mr. MACKENZIE KING: May I say to my hon. friend so as to put his mind at rest—

Mr. RYCKMAN: My mind is at rest.

Mr. MACKENZIE KING: I undertake to say right now that if this agreement does not obligate Sir William Petersen to carry out all that I have said to-day that it does obligate him to carry out, I for one will not be prepared to support that agreement when it comes back from the committee—

Mr. RYCKMAN: I welcome your statement.

Mr. MACKENZIE KING: —and if there is any doubt about the matter it can be settled when the contract goes before the committee. The House is not being asked to endorse something which it does not understand to the full. It will have a full explanation from the lips of Sir William Petersen himself if need be, and if that is not satisfactory it will be for the committee to take whatever step they may think best.

Mr. RYCKMAN: Mr. Prime Minister—

Some hon. MEMBERS: Order.

Mr. RYCKMAN: I wish to ask the Prime Minister a question. He has acceded to that, I understand.

Some hon. MEMBERS: Order.

Mr. RYCKMAN: Let me take this contract—

Mr. VIEN: I rise to a point of order, Mr. Speaker.

Mr. SPEAKER: Order.

Mr. VIEN: The hon. gentleman is not putting a question.

Mr. RYCKMAN: I am putting a question to the Prime Minister.

[Mr. Mackenzie King.]

Mr. SPEAKER: Order. I must remind hon. gentlemen that it is not in order to interrupt an hon. member while he is addressing the House unless with his consent. Bourinot goes further; he says:

> Whilst a member is addressing the House no one has the right to interrupt him by putting a question to him or by making or demanding an explanation.

Of course, when an hon. member good-naturedly accedes to the interruption, it goes without saying that the interrupter can put his question. But no speeches are allowed under the guise of an interruption; the interruption must be in the form of a brief question. As a rule, however, hon. gentlemen should not interrupt a member who is addressing the House.

Mr. RYCKMAN: Mr. Speaker, I thought I had the acquiescence of the Prime Minister.

Mr. VIEN: To put a question.

Mr. MACKENZIE KING: Mr. Speaker, I am very glad to have my hon. friend ask any question he wishes, if he has one in his mind, but I do not wish to encourage him. May I direct the attention of the House to another feature of the contract? I refer to the mode of payment. This is to be monthly to the contractor—

> —in equal monthly instalments payable monthly at the end of each and every month in each and every year during the continuance of this agreement, the first monthly instalment to become due and payable one month after the commencement of the service hereinbefore referred to.

In other words, payment is to be made after the service has been performed. Then there is an undertaking that the shipping services—

> —to be established by the contractor herein will co-operate and work loyally with the Canadian National Railways system and the fleet of ships operated by that system and under its control, and known as the Canadian Government Merchant Marine.

There is further the fact that at any time the minister has the privilege at his option of entering into contracts for like purposes with any other contractor or contractors; and, as has been mentioned, the contractor agrees to prosecute all voyages with all possible speed and despatch.

Mr. BOYS: Would the Prime Minister enlighten the House as to how the amount of money, $1,350,000, was arrived at? Why was it that amount instead of $2,000,000 or $1,000,000 or $500,000? I presume naturally in the course of the negotiations there must have been some basis on which that was worked out, and no doubt it would be interesting to the House to know how the figure was arrived at.

Mr. MACKENZIE KING: My hon. friend, I am afraid, will have to wait for this information. He knows that these matters are very carefully looked into in the first instance and not decided lightly.

Mr BOYS: That is why I thought the Prime Minister would be able to tell us.

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: I have spoken at very considerable length, and I think my hon. friend will forgive me if I do not go into that detail at the moment. Mr. Speaker, I should like to draw to a conclusion these lengthy remarks. They have been lengthy for the reason that I have been endeavouring to make it perfectly clear to the House and to the country that this matter which the government is undertaking is very much in the public interest and I am anxious that it should be adequately understood and appreciated in all its bearings.

I would like to point out that the government's policy with respect to the reduction of ocean rates is only part of the larger policy which the government has in view of building up the industries of this country along lines that indicate the greatest possibility of successful development. We are desirous of developing the production of our basic industries. We have sought to relieve the capital that is essential to the development of those industries from some of the taxation to which it has been subjected. We have been endeavouring to develop a vigorous immigration policy. But having regard to the figures I have quoted to-night with respect to immigrant rates, and to a comparison between what it costs to bring a family from the Old Country to settle in this country to-day and what it cost ten years ago, the difficulty with which the government has been confronted will be readily appreciated. The only way to overcome that difficulty is to grapple with the ocean rates on immigrants; if we are to be successful in getting immigrants into Canada we must take some step to control ocean rates. Then, we have affirmed the policy of endeavouring to develop Canadian trade through Canadian ports. We are spending large sums of money on the improvement and equipment of our ports. We are sincere in our desire to develop inter-imperial trade, to further the trade between Canada and the Mother Country, believing that to be in our mutual interests and believing it to be a link of empire which should be strengthened in every possible way. In addition to that we have sought to develop our entire export trade in a manner that will help to build up our basic industries, our manufacturing industries, and the trade of the country generally.

The successful carrying out of all these policies, depends, I submit, upon such a reduction of ocean rates as will make the increase in the rates on the ocean during recent years, at least comparable to the increase that has taken place on the railways. So long as a conference framed among these shipping companies so regulates the rates that it pays shippers to ship via American ports; so fixes the rates as to make it impossible for many of our producers to ship via Canadian ports to the Old Country—so long as that condition prevails we may look in vain to all the other remedies that may be suggested for an improvement of our industrial condition.

We have to-day an opening in the British market for our cattle such as we have not had for twenty or thirty years, but we are prevented from getting the full advantage of that market simply because of the high ocean rates that are being charged; and what in that regard is true of cattle is true also of other commodities. Owing to the tariff wall which exists between the United States and this country we are prevented from selling cattle profitably across the line. There is a duty of as much as a cent to a cent and a half a pound, I understand, on lean cattle going into the American market. It does not pay to ship these cattle across the Atlantic at the rates fixed, although they are the class of cattle which are largely demanded by the British importers and would have a large market in Great Britain. We are restricted to the St. Lawrence route, to our Atlantic ports and our Pacific ports for the development of the trade of the country, but those ports will never be developed as they should, those industries will never prosper, unless by means of an adjustment of rates prevailing on the Atlantic we have an opportunity to compete successfully with other countries. Did time permit I could point out the effect of the present condition upon the chilled meat industry, which was lost to this country through American competition at one stage and which is lost to us to-day through competition from the Argentine and Uruguay, whence frozen meats can be shipped to Britain at the lower rates prevailing from those countries—rates fixed by this north Atlantic combine. If we are in earnest in the desire to build up Canadian industry, in seeking to develop our agriculture, lumber, mining, fishing resources, as well as our manufacturing industries, which are dependent

upon the development of the basic industries but equally dependent upon the markets they have abroad, I submit that we must take such steps as are possible at this time to reduce ocean rates.

Hon. gentlemen opposite say this is a small step; that it is inadequate; that it is not large enough to be effective. I would remind hon. members of the biblical narrative of David and Goliath. It was not the size of David or the size of the pebble that brought about the result that was effected at that time. It was the accuracy of the throw. It so happened that the aim that was taken was the right one; the giant was hit in a vital spot. If I am not mistaken, the pebble that has been thrown into the Atlantic by this much abused report of Mr. Preston and by the discussion which we are having in this parliament at the present time; the pebble that has been thrown into the Atlantic by the step which this government has taken, has stirred the waters of all the seas to the shores of every country to which the operations of this combine extend. We see to-night, after the representations which have been made to governments for many years past, the first really constructive and effective step to afford relief to the exporters of Canada and to further that development of our industries and trade which at this stage and at this particular time we all regard as so necessary and desirable.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I had hoped until half an hour ago that there would be some termination within reasonable time of the marathon effort of the Prime Minister (Mr. Mackenzie King) and that I might follow him to-night, as I was, indeed, most anxious to do. But we are now past 10.35 and it would be unreasonable that I should expect to go very far. I think the convenience of the House would best be met if I moved the adjournment of the debate.

Motion agreed to and debate adjourned.

SUPPLY

DEPARTMENT OF LABOUR

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

Civil Government—Labour—salaries, $159,930; contingencies, $25,000.

Mr. ARTHURS: What is the explanation of the reduction in this vote?

Hon. JAMES MURDOCK (Minister of Labour): The hon. gentleman will notice that the number of employees has been reduced by five.

Mr. ARTHURS: Is that the total reduction in the inside service so far as this department is concerned?

Mr. MURDOCK: A reduction of five employees, yes.

Mr. ARTHURS: How many have been superannuated?

Mr. MURDOCK: One.

Mr. ARTHURS: That would be six in all?

Mr. MURDOCK: No, only one employee was superannuated during the past year. The positions of the others were abolished.

Item agreed to.

Conciliation and Labour Act, including publication, printing, binding and distribution of Labour Gazette, and allowance to correspondents, $35,000.

Mr. ARTHURS: What is the cause of the decrease in this item?

Mr. MURDOCK: The amount requested is $35,000, which is $11,000 less than the amount voted for the fiscal year 1924-1925. This appropriation is intended to meet the cost of printing, binding and distributing the Labour Gazette. From this appropriation also are paid the salaries of some sixty or seventy persons employed as correspondents, with salaries ranging from $125 to $300 per annum. Small payments are occasionally made from this vote also for special work done by way of rental surveys, statistics, or of conciliation and labour disputes, and travelling expenses for the same purposes. The opportunity to reduce this vote by $11,000 is largely due to a reduction in the cost of printing the Labour Gazette during the past year. The cost of printing the Labour Gazette has been reduced between $11,000 and $12,000 by the use of smaller type and a fewer number of pages. The publication has been more condensed, and there has been a saving during the year of some 350 pages.

Mr. ARTHURS: Will the minister give the number of correspondents in each salary class?

Mr. MURDOCK: I can give the hon. gentleman the entire list of correspondents if he would like me to read the names, or I could place it on Hansard.

Mr. ARTHURS: I want them by classes. I also want to know if there have been any changes in personnel this year, and if so, how many.

Mr. MURDOCK: The changes during 1924-1925 up to January 31st of this year are as follows:

Brockville: H. B. Burnham died in April, 1924, and was replaced by Mr. J. E. Wotherspoon, appointed in May, 1924.

Truro, N.S: F. W. Henderson, position abolished May 31, 1924. No appointment has been made.

New appointments for the year are as follows:

North Bay: H. P. Charlton, appointed July, 1924.
Springhill, N.S.: A. C. Mills, appointed August, 1924.

I might point out that the position at Truro was abolished. It was thought that Springhill, being a coal mining town, and not very far distant from Truro, that would be the best place to maintain a correspondent, and so Mr. A. C. Mills was appointed at Springhill in August, 1924.

Sudbury: Mr. W. H. Gougeon, appointed in June, reported for duty June, July and August, 1924, and resigned. Replaced by W. F. Keegan, appointed January, 1925.

These are all the changes among the correspondents for the year. I will put on Hansard for the benefit of my hon. friend a list of all the correspondents throughout Canada. The list follows:

LABOUR GAZETTE CORRESPONDENTS, FEBRUARY 1925

Location	Name	Annual Salary
Amherst, N.S.,	McCleave, H.	$150
Bathurst, N.B.,	Levasseur, M. H.	125
Beamsville, Ont.,	Sinclair, J. A.	200
Belleville, Ont.,	Harrison, Phillip	150
Brandon, Man.,	Fulcher, Edmund	150
Brantford, Ont.,	Dunn, Edward	200
Brockville, Ont.,	Wotherspoon, A.	150
Calgary, Alta.,	Stauffer, J. B.	200
Charlottetown, P.E.I.,	Monoghan, J. H.	125
Chatham, Ont.,	Wands, Geo.	150
Cobalt, Ont.,	Dixon, G. W.	200
Dominion, C. B.,	N. S., Moffatt, John	175
Drumheller, Alta.,	Colquhoun, A. A.	175
Edmonton, Alta.,	McCreath, R.	200
Eureka, N.S.,	Ward, R. H.	200
Fernie, B.C.,	Perry, Fred G.	200
Fort William, Ont.,	Grant, A. E.	120
Fredericton, N.B.,	Clark, C. W.	125
Galt, Ont.,	Fraser, David	150
Guelph, Ont.,	Drever, Wm.	150
Halifax, N.S.,	Garnett, Jos. A.	225
Hamilton, Ont.,	Aitchison, C. I.	225
Hull, Que.,	Morin, A.	150
Kitchener, Ont.,	Welheiser, S.	150
Kingston, Ont.,	Stroud, W. A.	200
Lethbridge, Alta.,	Hawkins, Wm.	150
London, Ont.,	Woonton, A.	200
Medicine Hat, Alta.,	Bellamy, B. W.	150
Moncton, N.B.,	Graves, J. C.	150
Montreal, Que.,	Bertrand, T.	No pay
Moose Jaw, Sask.,	Baker, A.	150
Nanaimo, B.C.,	McGirr, Wm.	125
Niagara Falls, Ont.,	Hyatt, Miss Laura	175
North Bay, Ont.,	Charlton, H. P.	150
Orillia, Ont.,	Hale, Harold	125
Oshawa, Ont.,	Bone, W. J.	150
Owen Sound, Ont.,	Shaw, James	125
Peterborough, Ont.,	Sharp, J. A.	150
Prince Albert, Sask.,	Laurie, R. P.	200
Prince Rupert, B.C.,	Campbell, J. M.	250
Quebec, Que.,	Jobin, P. J.	200
Regina, Sask.,	McNeill, W. B.	200
St. Hyacinthe, Que.,	Belisle, J. B.	150
St. John, N.B.,	Coates, W. H.	225
St. Johns, Que.,	Bourdeau, Moise	175
St. Thomas, Ont.,	Killingsworth, J. A.	225
Sarnia, Ont.,	Lott, W. H.	150
Saskatoon, Sask.,	McGrath, M. J.	200
Sault Ste. Marie, Ont.,	Hollingsworth, E.	150
Sherbrooke, Que.,	Fales, John	125
Sorel, Que.,	Vanasse, A. P.	125
Stratford, Ont.,	Carlin, Joseph	150
Sudbury, Ont.,	Keegan, W. F.	200
Thetford Mines, Que.,	Adams, C.	150
Three Rivers, Que.,	Ryan, Jos. J.	125
Timmins, Ont.,	Garner, H. C.	200
Toronto, Ont.,	Compton, E. N.	No pay
Trail, B.C.,	Williamson, A. C.	300
Truro, N.S.,	Mills, A. C.	150
Vancouver and New Westminster, B.C.,	Harrison, F. E.	No pay
Victoria, B.C.,	Chrow, John	225
Walkerville, Ont.,	Cole, W. H.	175
Winnipeg, Man.,	Howard, L. F.	No pay
Woodstock, Ont.,	Markey, John	150

Mr. JACOBS: Will the minister tell me who ever reads the Labour Gazette? Are there any subscribers and is anything received by the department from the subscribers?

Mr. MURDOCK: I have not a list of the subscribers here, but I am sure the amount received in subscriptions is not very large, because the Labour Gazette sells for only 20 cents a year. That price has been in effect for years. Of course, it does not begin to pay the cost of printing even a single issue.

Mr. JACOBS: What purpose does the Labour Gazette serve?

Mr. MURDOCK: I think that very many hon. gentlemen in this House and elsewhere throughout the country refer to the Labour Gazette and regard the information therein contained referring to wages, conditions of employment, prices, and so forth as fairly accurate. I think the Labour Gazette has won a name for itself in that respect. We find that some of the banks like to have it as is indicated by the fact that they subscribe for copies of the Labour Gazette to be sent to all their branches throughout Canada. I am not sure just how many banks do that, but I know that certain of them do.

Mr. LUCAS: How many copies of the Labour Gazette are issued?

Mr. MURDOCK: In January, 1924, there were 10,906 copies in English and 1,831 copies in French, or a total of 12,737 copies. It runs

along about that way all through the year, as we find in December there were 11,080 English copies and 1,825 French copies, or a total of 12,905.

Mr. IRVINE: Are these all distributed?

Mr. MURDOCK: Practically all. There would be a number of copies on supply, I could not say exactly how many but probably the usual number of copies that would be kept of any other government publication for possible future call.

Mr. BOYS: What company is printing the Gazette now?

Mr. CHAPLIN: How can you possibly get rid of 10,000 copies?

Mr. MURDOCK: One question at a time please. Answering my hon. friend from South Simoce (Mr. Boys) I may say the Labour Gazette is printed in the Government Printing Bureau.

Mr. JACOBS: Since when?

Mr. MURDOCK: I think since the January issue, 1924.

Mr. JACOBS: Before that time where was it printed?

Mr. MURDOCK: At a printing office in this city.

Mr. JACOBS: Why was that done?

Mr. MURDOCK: Different individuals might give different reasons. The reason generally advanced for printing it outside the Printing Bureau was in order to secure the union label on the Labour Gazette. In any case the fact is that for very many years after the Labour Gazette was first issued it was printed outside the Printing Bureau until January a year ago.

Mr. LUCAS: For how many years has the Gazette been printed?

Mr. MURDOCK: I do not know that I can answer that question offhand, but I should say about twenty years or more.

Mr. JACOBS: Is it now printed with the union label?

Mr. MURDOCK: No.

Mr. JACOBS: Why?

Mr. MURDOCK: Because the Government Printing Bureau does not use the union label on its printing.

Mr. JACOBS: Does that interfere with its circulation?

[Mr. Murdock.]

Mr. MURDOCK: No. I think that during the year 1924 we only heard one suggestion of remonstrance against the non-use of the union label.

Mr. CHARTERS: Is any effort made to secure additional circulation?

Mr. MURDOCK: Not to any extent, the reason being that with a charge of twenty cents a year it would not pay us to get out and canvass for subscribers.

Mr. CHARTERS: Why not increase the subscription price?

Mr. MURDOCK: That has been discussed on several occasions. I am not sure but that it might be advisable to add a reasonable increase, although it is held that if we did so many of the labour lodges would not subscribe to it. It is thought desirable to get the information that is in the Labour Gazette into the hands of labour generally throughout Canada, and therefore the price is put at the nominal figure of twenty cents. Whether right or wrong that is the view entertained.

Mr. BOYS: How are the correspondents paid? Are they paid according to the copy they send in, or what is the basis of their remuneration?

Mr. MURDOCK: They are paid an annual salary, somewhat proportionate to the importance of the place where the correspondent is located. I might give my hon. friend an indication of how the salary varies.

Mr. BOYS: Give us the extremes.

Mr. MURDOCK: I might mention Thetford Mines $150. The sum of $125 is the very minimum. We find $125 paid at Sherbrooke. Then at a place like Timmins, up in the mining region, the amount is $200, and at Halifax, N.S., $225. The salary paid at Trail, B.C. is $300, the understanding being that at Trail there is a pretty wide range of territory to cover, and there are a number of different little centres where it is necessary for the correspondent to get reasonably accurate information and send it in. That is the basis upon which the salary is determined.

Mr. BOYS: That is through the monthly report?

Mr. MURDOCK: The monthly report.

Mr. BOYS: Is the report sent in for a particular month or is that left to the correspondent?

Mr. MURDOCK: No the department expects the correspondent to send in a report each month.

Mr. JACOBS: Will the minister tell us what saving has been effected by having this publication printed at the bureau instead of parties outside?

Mr. MURDOCK: Well there was a difference between the printing of the Labour Gazette in the Printing Bureau in 1924 and the outside printing in 1923. In saying that I am taking into consideration the smaller type now used, because we changed the type used in printing the Labour Gazette from 10 point to 9 point type when we started to print it in the bureau. Then we condensed the report, there were a smaller number of pages than in 1923, so that there was a saving for the year of $13,704.31.

Mr. CHARTERS: It was really a saving in the paper used, not in the composition?

Mr. MURDOCK: Yes there is less paper. In the annual bound report I think there are about 346 pages less. Smaller type is used and there are fewer pages. There is not as much matter in the Labour Gazette now.

Mr. BOYS: Has there been a saving in the cost of printing? I can understand there would be a saving in the matter of paper, but I cannot understand how there would be any saving in composition?

Mr. MURDOCK: There would not be a saving in composition for a page merely, but there would be a considerable saving in paper.

Mr. BOYS: I think the minister pointed out that there was a decrease of $11,000, so practically that would be accounted for by the very item we are now discussing?

Mr. MURDOCK: Yes.

Mr. BOYS: It seems to me, if my memory serves me correctly, that in 1922, it may have been 1923, there were some questions asked the minister regarding a contract he then made with, I think, a new corporation. If I remember rightly I think he gave a very good reason for the change; I think he was very frank and said it was on account of some very good Liberals. I am not finding any fault with that statement now, but what I should like to know is if it is a fact that this saving of $11,000 is the difference between the present cost of printing the Labour Gazette at the Printing Bureau and the amount he was paying the firm with whom he made that contract in 1922 or 1923—I forget the exact year?

Mr. MURDOCK: No, I think my hon. friend is just a little off as to the facts. A contract was given to an outside firm to print the Labour Gazette in 1922 on the same basis on which it had been printed for many years, all during the term of the government my hon. friend supported, only in a different form—the basis of payment was identically the same but the bureau rates, I think, were 10 per cent less.

Mr. BOYS: The minister misunderstood me. I did not charge him with paying any more to this company he dealt with in 1922 than had been paid previously; what I was trying to find out was whether the saving of $11,000 is due to the fact that the Gazette is printed at the Printing Bureau. Taking into consideration the smaller type that we have now does that account for it?

Mr. MURDOCK: I am told it does to some extent but not altogether. I am informed by responsible officers of the Printing Bureau that they are able to print the Labour Gazette more cheaply than any outside concern could. The reason is this: The Labour Gazette is a monthly publication; the copy for the publication is coming in from time to time, and it can be used in the Printing Bureau as a very nice filler to fill in on certain of the machines when they might otherwise for a time be idle. The officials at the Printing Bureau tell me it is valuable to have it in that way and they can turn it out possibly more acceptably and cheaply than an outside concern could. Then there is the cost of the paper, and I am told, the smaller type and several other factors that enter into the decreased cost of some $11,000.

Mr. BOYS: Did the former contract expire last year?

Mr. MURDOCK: No, it ran only from month to month at the pleasure of the department, or the minister, I forget which.

Mr. BOYS: Was it the department or the contractor that terminated the contract?

Mr. MURDOCK: The department.

Mr. CHARTERS: What was the reduction in size?

Mr. MURDOCK: In January, 1923, there were 120 English pages, while in January, 1924, there were 89 English pages. In January, 1923, there were 132 French pages, and in January, 1924, 92 French pages. In October, 1923, there were 127 English pages and in October, 1924, 93 English pages. In October, 1923, there were 136 French pages and in October, 1924, 103 French pages, and so on throughout the year.

Mr. CHARTERS: That would account for a good deal of the saving?

Mr. MURDOCK: Yes.

Mr. IRVINE: Is a reduction in wages involved in this $10,000 reduction?

Mr. MURDOCK: No.

Mr. IRVINE: On what is this vote expended? Does it include anything at all except the mechanical work, setting of type and so on? Does it include the gathering of statistics?

Mr. MURDOCK: It is thought that on account of the smaller number of copies of the Labour Gazette and the lower cost of printing, we can estimate a saving in this vote of about $11,000 a year, and so the vote has been reduced accordingly.

Mr. IRVINE: I am not quite clear what is involved in this expenditure. Is it purely for the publication, setting of type, printing of paper and so on, or does it involve the gathering of statistical information?

Mr. MURDOCK: My hon. friend possibly did not hear me when I read this before. I will read it again. The amount requested, $35,000, is $11,000 less than the amount voted for the fiscal year 1924-25. The appropriation is intended mainly to meet the cost of the printing, binding and distribution of the Labour Gazette. From this appropriation are paid the salaries of some sixty to seventy persons employed as correspondents, with salaries ranging from $125 to $300 per annum. Small payments are occasionally made from this vote also for special work done by way of rental surveys, statistics or of conciliation in labour disputes; travelling expenses for the same purpose are met from this vote. Owing to new methods and closer supervision of the printing and distribution of the Labour Gazette, it is thought that the appropriation could be safely reduced by the above figure.

A detailed statement of expenditure for the fiscal year 1923-24 to March 31, 1924, is as follows:

Correspondents' salaries..	$ 9,999 84
Travelling expenses..	256 40
Services, fees, etc..	890 90
Printing and stationery..	36,709 49
Sundries..	2,109 95
	$49,966 58

A detailed statement of expenditure for ten months 1924-25, to January 31, 1925, is as follows:

[Mr. Murdock.]

Correspondents' salaries..	$ 8,355 64
Services, fees, etc..	390 00
Printing and stationery..	14,169 52
Sundries..	2,050 52
	$24,965 68

Mr. CHAPLIN: The minister told us a few moments ago that some 11,000 copies of this publication were printed. Is there not some way of cutting down expense in this connection?

Mr. JACOBS: To abolish it altogether would be the best way.

Mr. CHAPLIN: I agree with the hon. member that cutting it down a great deal or almost abolishing it would suit me, but it seems ridiculous that 10,000 or 11,000 copies of this paper have to be sent out. I know many members who get them never read them. There is in them plenty of information that could be put in some other publication. The minister claims that he is saving a great deal of money. I have been looking over some old estimates, and I notice that in 1920 this department got along with $35,000 for this item. I will read it for the edification of the minister:

> Conciliation and Labour Act, including publishing, printing, binding and distribution of the Labour Gazette and allowance to correspondents, and to provide for the payment of the salary of the private secretary of the minister.

The private secretary salary is not in there this year, and I presume there is another vote for it.

Mr. MURDOCK: That seems to be the vote at that time. When I came into office, my recollection is that the vote was $50,000. It was reduced last year by $4,000, and this year we are reducing it by $11,000, or bringing it back to what my hon. friend shows it to have been in 1919-20 and in 1918-19.

Sir HENRY DRAYTON: I think the hon. member for George Etienne Cartier (Mr. Jacobs) asked what was paid to the representative at Sydney and I do not think that was answered. It would strike me that he would be a very busy agent and it would be interesting if we had his correspondence. Is he still working on it now?

Mr. MURDOCK: We have no representative at Sydney.

Sir HENRY DRAYTON: Would that not be a most important place to have one?

Mr. MURDOCK: I do not think so. We have, of course, had an officer at Sydney on two or three occasions. Possibly twice during the last year we had an officer at Sydney.

Sir HENRY DRAYTON: If the idea is to help in labour matters would it not be a good thing to have the work done where there is real necessity for it? If there is one place where such work is needed it is at Glace Bay.

Mr. MURDOCK: I agree that there is no place in Canada where there is greater necessity for work to be done than in the vicinity of Glace Bay, and that has been the condition for several years. But no one knows better than my hon. friend what the extent of authority of the Labour department is in a matter of this kind. I can assure him, however, that we took every possible step that could have been taken. My hon. friend will agree with that, I think. And even when the Industrial Disputes Investigation Act was declared ultra vires we endeavoured to form a board which we hoped would be able to assist in bringing about harmony and co-operation and if possible a settlement.

Mr. BOYS: You have as much authority there as anywhere else in Canada.

Mr. MURDOCK: Under certain conditions possibly, yes; under other conditions, as my hon. friend knows, we have not.

Mr. BOYS: I know that, and I should like to have an explanation.

Mr. MURDOCK: In the steel plant at Sydney or at New Glasgow or at the Sault, if a dispute occurred years ago before the act was placed in its present position we should never have claimed any authority to deal with the trouble. If by offering our friendly offices we could do anything to promote harmony we would do it. But as to authority, we had none and never claimed to have it. As to the dispute in the coal mines, it was held to come under the provisions of the Industrial Disputes Investigation Act; but as my hon. friend knows, that is altogether a matter of uncertainty. It has been merely a question of trying to do whatever appeared possible to bring about a settlement.

Mr. IRVINE: I have been considering the Labour Gazette from the standpoint of education. I do not know whether this is any part of its function, but if it is not I cannot see that the Gazette has any function. I should think that its chief function would be to gather information of a sociological character.

An hon. MEMBER: Sociological?

Mr. IRVINE: An hon. gentleman opposite evidently has not heard that word; it is really one of the most important words to-day, for sociology is a coming science. I should like to think that the Labour Gazette was trying to perform a service along that line, and I do not think that there is any place in Canada where the labour problem is more acute than it is in that part of the Maritime provinces. Certainly the labour problem has not been more acute in the past few years anywhere than in the point which has been mentioned, and I should think that it would be eminently advisable to have a representative of the Labour Gazette there, who, even though he might not be permanent, could obtain all the data and information bearing upon the particular social phenomenon that we see there now. That information would be indispensable to the Labour department. I hope the minister will consider putting one of his officers there to collect such facts as are relevant to the whole matter, if that is part of the function of the publication.

Mr. MURDOCK: The hon. gentleman may be under a misapprehension. There is a Labour Gazette correspondent at Sydney but his duty is not to write on sociological questions; it is confined to the securing of prices and to the giving of advice from time to time as to labour unrest or labour conditions generally. He deals only with such facts as are apparent and in evidence. There has been a Labour Gazette correspondent although he is not regarded as an employee of the department. He might be called a part time employee from the fact that every month he sends in a report to the department. Presumably he is collecting or verifying material for the report during the rest of the month.

Mr. IRVINE: What is his qualification? Is he appointed from the standpoint of a journalist?

Mr. MURDOCK: In a number of cases. I think I am safe in saying, our best correspondents have been or are journalists; in other cases they have been representatives of labour for a number of years in some local capacity, having shown a sympathetic ability to grasp the questions with which they have to deal. I am not sure how many, but possibly there are six or eight or more newspaper men.

Mr. IRVINE: Is there any connection between the Department of Labour and the Bureau of Statistics? Is there any duplication of work?

Mr. MURDOCK: In some respects there is a degree of co-operation between the two departments. The Conciliation and Labour Act, as my hon. friend knows, defines the duties of the Labour department in regard to certain statistics on labour matters. These figures and facts have always been collected

by the Department of Labour. There is an able staff in the department who can more sympathetically and with greater accuracy compile them. The figures in regard to prices are brought into the Labour department and then they are passed over to the Bureau of Statistics where they are analyzed and compiled and issued each month. They are later copied into the Labour Gazette and become part of the official record. There is co-operation in that way.

Sir HENRY DRAYTON: I would suggest, Mr. Chairman, that the item should now pass and that my hon. friend should report progress.

Item agreed to.

Progress reported.

On motion of Mr. Macdonald (Pictou) the House adjourned at 11.30 p.m.

Wednesday, March 18, 1925

The House met at three o'clock.

REPORT

First report of the select standing committee on Railways, Canals and Telegraph Lines.—Mr. Cahill.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ROYAL WINTER FAIR

Mr. SIMPSON:

1. How much is the grant at present being given by the Department of Agriculture to the support of the Royal Winter Fair at Toronto?
2. Is it the intention to give a further grant to this exhibition in addition to the above?
3. Is any part of the amount appearing in the general estimates of the Department of Agriculture No. 52, Live Stock, intended for this purpose?

Hon. Mr. MOTHERWELL:

1. Main grant, $25,000 per annum; grant to fox show, $2,000 per annum; grant in lieu of supplying judges, $1,200 per annum.
2. The matter is at present under consideration.
3. No.

CHAMPLAIN DRY DOCK, LAUZON

Mr. BOURASSA:

1. Is it the intention of the government to put an elevator in the building next to the Champlain dry dock at Lauzon, for the use of workmen of that locality?
2. If so, is it the intention of the government to have said elevator in operation next summer?

[Mr. Murdock.]

Hon. Mr. KING (Kootenay):

1. No.
2. See answer to No. 1.

CANADIAN GOVERNMENT MERCHANT MARINE

Hon. Mr. STEVENS:

1. Since his appointment, in connection with the North Atlantic ocean freight rates question, has W. T. R. Preston carried on any negotiations, verbal or otherwise, for the sale or leasing, or chartering of the ships of the Canadian Government Merchant Marine to any Norwegian, British or other European interest?
2. If so, with whom and if in writing, will the government immediately table the correspondence?
3. Has the government received any proposals from any source for the sale or chartering of a part, or the whole, of the fleet of the Canadian Government Merchant Marine?
4. If so, from whom?
5. If any negotiations have been entered into, are they under consideration at the present moment, and is there any likelihood that the Canadian Government Merchant Marine fleet will be disposed of in the near future?
6. If any negotiations are being carried on, are they contingent in any way upon the resolution now standing in the name of the Minister of Trade and Commerce in approval of a certain agreement entered into with Sir William Petersen?

Hon. Mr. LOW:

1. No.
2. Answered by No. 1.
3. Yes.
4. It is not judicious or desirable at the present time that the details of the offer nor the names of the persons interested should be made public.
5. Answered by No. 4.
6. No.

CANADIAN GOVERNMENT MERCHANT MARINE

Mr. BLACK (Halifax):

1. Have any of the steamers of the Canadian Government Merchant Marine ever been sold?
2. If so, what are the names of said ships?
3. At what price were they sold?
4. Have they been paid for in full?
5. If not, what balance of the purchase money is still due?
6. How is this balance, if any, secured?

Hon. Mr. GRAHAM:

1. Yes.

2 and 3. T. J. Drummond, $110,000; J. A. McKee, $110,000; Sheba, £17,000; Canadian Settler, $140,000; Canadian Logger, $100,000; Canadian Miner, £20,000; Canadian Sealer, £20,000.

4. The Canadian Miner, Canadian Sealer and Sheba were sold on a cash basis and were paid for in full on delivery of the steamers to the purchasers. The T. J. Drummond, J. A. McKee and Canadian Logger were sold on the basis of $20,000 cash, balance to be paid in five years in equal annual payments at 6 per cent interest. Canadian Settler was sold on

the basis of $25,000 cash, balance to be paid in five year in equal annual payments at 6 per cent interest. The cash payment was made, but the purchaser finding it impossible to meet his other payments, the Canadian Government Merchant Marine has repossessed the vessel.

5. T. J. Drummond, $72,000; J. A. McKee, $72,000; Canadian Logger, $80,000.

6. The balance of the purchase money outstanding in each case is secured by statutory mortgage on the steamer which is accompanied by an indenture containing protective clauses in favour of the Canadian Government Merchant Marine, Limited.

VANCOUVER HARBOUR COMMISSION

Hon. Mr. STEVENS:

1. Has the Board of Harbour Commissioners Vancouver, been authorized to purchase a new harbour boat? If so, for what purpose, and what will be the total cost?

2. Will the cost of said boat be paid out of revenue of the harbour?

3. Is the said boat being built under contract? If so, by whom?

4. Were tenders called for, and if so, how many tenders were received and, from whom were they received, and what was the lowest tender?

5. Is the harbour commission in possession of a pleasure cruising launch which has in the past been used for patrol work?

Hon. Mr. CARDIN:

1. No.

2, 3 and 4. Answered by No. 1.

5. The harbour commissioners are in possession of a service boat formerly the patrol launch Fispa.

VANCOUVER HARBOUR COMMISSION—GOVERNMENT LIABILITY

Mr. CLARK:

1. What is the total liability of the Vancouver harbour commission to the Dominion government?

2. What amount of the above total has been expended on the development of the north shore of the harbour?

3. What was the total amount voted the Vancouver harbour commission by the Dominion government during 1924?

4. What amount of this total was specifically allotted for the development of the north shore of the harbour?

5. What are the items for which the above allotment was made?

6. What is the total expenditure of the 1924 allotment, if any, to date on the north shore.

7. What items do the total expenditures of the above allotment, if any, cover on the north shore, with cost of each item?

Hon. Mr. CARDIN:

1. At December 31, 1924, $10,136,900.

2. None.

3. $5,000,000.

4. $581,000.

5. Lumber assembly wharf, terminal railway development.

6. Nothing. The work has been delayed consequent on the delay in completion of the Second Narrows bridge.

7. Lumber assembly wharf, $317,000; Terminal railway development, $264,000.

VANCOUVER HARBOUR COMMISSIONERS—DELEGATION TO ORIENT

Hon. Mr. STEVENS:

1. Has the Vancouver Board of Harbour Commissioners appealed to the government for permission to send a commercial delegation to the Orient?

2. If so, will such delegation carry with it the endorsement of the Trade and Commerce Department, or any other department of the government?

3. Are the expenses of the said delegation or commission being paid out of the revenue of the Harbour Commission? If not, in what manner?

4. Has the personnel of the said commission been decided upon? If so, who are they and what secretarial staff will accompany it?

Hon. Mr. CARDIN:

1. No.

2, 3 and 4. Answered by No. 1.

CANADIAN NATIONAL RAILWAYS—ENGINES

Mr. SENN:

1. Were any fire engines purchased by the management of the Canadian National Railways since the first of January, 1924?

2. If so, how many?

3. What were the prices paid?

4. From whom were they purchased?

5. Were they purchased by tender?

6. If so, did the Bickle Fire Engines Company, Limited, of Woodstock or any other Canadian company tender?

Hon. Mr. GRAHAM:

1. Yes.

2. 12.

3, 4, 5 and 6. Firms invited to tender were:
American La France Fire Engine Company,
Bennet & Wright Company,
Bickle Fire Engine Company,
Booth, Coulter Copper & Brass Company,
Estey & Company,
Garth Company,
McDonald Manufacturing Company,
W. J. McGuire & Company,
Pyrene Manufacturing Company; and order was placed with the Canadian Branch of the American La France Fire Engine Company who quoted lowest price for satisfactory machine of standard type for prompt delivery.

MARINERS' SICK BENEFIT

Mr. CHURCH:

Is it the intention of the government to introduce legislation this session to include seafarers in the coastal and inland waters of Canada in the Mariners' Sick Benefits? If not, why?

Hon. Mr. BELAND: No. The men employed in the coastal and inland waters service of Canada are not seafarers and no sick mariners' dues are paid on their account.

MONEY VOTES—AGRICULTURE: UNEMPLOYMENT

Mr. CHURCH:

1. What votes were made during the past five years of record for (a) live stock; (b) health of animals; (c) other agricultural purposes?

2. What votes were made for the relief of unemployment for each of the said years?

Hon. Mr. MOTHERWELL:

1. (a)

1920-21	$1,325,000 00
1921-22	1,000,000 00
1922-23	1,060,000 00
1923-24	1,230,000 00
1924-25	1,280,000,00

(b)

1920-21	1,320,000 00
1921-22	1,710,000 00
1922-23	1,886,410 00
1923-24	2,250,000 00
1924-25	2,000,000 00

These figures include the cost of meat and canned food inspection.

(c)

1920-21	$3,121,000 00
1921-22	3,302,139 50
1922-23	3,423,600 00
1923-24	3,650,500 00
1924-25	2,694,000 00

Civil government items are not included in any of these figures.

2.

1920-21	$ 500,000 00
1921-22	500,000 00
1922-23	1,300,000 00
1923-24	5,700 00
1924-25	Nil

QUEBEC HARBOUR COMMISSION

Hon. Mr. STEVENS:

1. To what extent has the Board of Harbour Commissioners, Quebec, overdrawn its appropriation as provided for by parliament?

2. Is it true that the said Board of Harbour Commissioners of Quebec have overdrawn to the extent of $4,500,000? If so, how is it proposed to provide for this sum?

3. Have the said harbour commissioners of the port of Quebec paid interest on the amounts borrowed from the Dominion government under various appropriation bills? If not, what is the total amount of the said accrued interest to date?

Hon. Mr. CARDIN:

1. To no extent.

2. No.

3. Some payments have been made on account of interest and sinking fund on the old indebtedness incurred for expenditure made in the development of the harbour of Quebec, partly by the Department of Public Works and partly by the harbour commissioners, but all charged against the harbour commission. This old expenditure was prior to the organization of the commission on the present basis, in 1913. Since the commission was organized on its present basis a total of $8,426,800 has been advanced to the harbour commissioners for harbour improvements, and on which no interest has been paid. The accrued interest on the total advanced amounts at this date to approximately $1,980,000. Against this accrued interest the commissioners hold contra accounts against the Dominion government for services rendered which will largely offset the total accrued interest.

SOLDIER SETTLEMENT BOARD STAFF

Mr. KNOX:

1. In the reduction of staffs of the Soldier Settlement Board, is it the intention of the government to give preference in the retention of employees to married men with wives and families dependent upon them?

2. Is the government aware that in said staff reduction, men are being transferred from one office to another, to the detriment of men who have remained in that locality and who are compelled to give place to strangers?

Hon. Mr. ROBB:

1. Yes. In reduction of staffs the principle is one of efficiency first. Other things being equal, men with dependents are given preference.

2. The entire staff of the board is regarded as a unit. Efficiency, seniority and other qualifications are considered from a Dominion and not from a local point of view. Transfers from one office to another are therefore unavoidable and beneficial.

Mr. KNOX:

1. How many married men employed by the Soldier Settlement Board have been discharged between January 1, 1924, and January 1, 1925?

2. How many unmarried men?

3. How many married men remained on the staff?

4. How many single men?

Hon. Mr. ROBB:

1. 51.

2. 27.

3. 355.

4. 71.

AGRICULTURAL GAZETTE

Mr. SPENCER:

1. Why has the Department of Agriculture to stop publication of the Agricultural Gazette which, among other sections included one dealing with institute

matters, confining its publication only to occasional special bulletin and annual reports?

2. Have subsidies been paid to the press instead, and, if so, what have been the amounts of the contributions for each branch and to each named newspaper, during the last three years?

3. What does it cost to publish the crop reporting information disseminated by the Institute branch?

Hon. Mr. MOTHERWELL:

1. The Agricultural Gazette was originated at the time grants were first paid to the provinces under the Agricultural Instruction Act, and the publication of this periodical formed part of the whole scheme for assisting the provincial departments of agriculture in connection with agricultural education. One section of each issue of the Gazette was devoted to provincial activities assisted by the Federal grant.

When the Agricultural Instruction Act expired, and no further grants were paid to the provinces in this connection, one of the chief reasons for the publication of the Gazette no longer existed, and it was therefore decided to discontinue publication.

2. No.

3. Nil.

ADVANCES OUTSTANDING TO BANKS

Mr. SHAW:

1. What were the advances outstanding under the Finance Act to the banks on 1st March, 1925?

2. What was the rate of interest paid on such advances on the said date?

3. What was the total amount of outstanding advances by the banks to the Dominion government on the 1st March, 1925?

4. What rate of interest did the banks charge on such advances on the 1st March, 1925?

Hon. Mr. ROBB:

1. $21,300,000.

2. 4¼ per cent.

3. Nil.

4. Answered by No. 3.

DEPUTY MINISTER OF FINANCE

Mr. GARLAND (Bow River):

1. What is the total amount of salary paid to the Deputy Minister of Finance?

2. What is the total amount of salary paid to the Secretary of the Treasury Board?

3. Why was it considered necessary to appoint a Secretary of the Treasury Board?

4. Why was it considered necessary to provide an Assistant Secretary of the Treasury Board at a salary of $4,500 per annum?

5. Were the duties of Secretary of the Treasury Board not heretofore performed by the Deputy Minister of Finance on a salary of $10,000 per annum?

Hon. Mr. ROBB:

1, 2, 3, 4, & 5. Explanation of the items for Secretary of the Treasury board and Assistant Secretary of the Treasury board will be made when the estimates of the department are under discussion.

WHARF AT COCAGNE CAPE, N.B.

Mr. DOUCET:

1. What was the total cost of the construction of a wharf at Cocagne Cape, Kent county, New Brunswick?

2. What was the amount of contract?

3. What amount was paid for extras?

Hon. Mr. KING (Kootenay):

1. $13,832.43 final estimate including extras.

2. $12,910, based on approximate quantities.

3. $430.80.

CANADIAN NATIONAL RAILWAYS—OFFICIALS' TRANSPORTATION

Mr. JONES:

When transportation is issued by the Canadian National Railways to officials of other departments of government is any charge made by the railway for the same against such departments?

Hon. Mr. GRAHAM: No free transportation is provided government employees except as authorized by law; all other officials buy their transportation in the ordinary way.

HOMESTEAD INSPECTORS

Mr. McQUARRIE:

1. What homestead inspectors under the Dominion Lands Service at Edmonton have been discharged from the service during the past two years, and for what reasons were they discharged?

2. What homestead inspectors have been appointed in the same district during the past two years and what are the dates of the several appointments?

3. Were the last mentioned appointments made by the Civil Service Commission after competition from within the service, and

4. If such appointments were not made by the Civil Service Commission after competition, how were the said appointments made and what are the dates of said appointments?

5. Have the persons so appointed reported for duty and are the said persons now engaged in the discharge of the proper duties pertaining to the said appointments?

6. Has one Joseph Driscoll been appointed a homestead inspector?

7. If so, how was the said Joseph Driscoll appointed, and if so,

8. What is the date of his appointment?

9. Is the said Joseph Driscoll now in the discharge of his proper duties as a homestead inspector?

Hon. Mr. STEWART (Argenteuil):

1. None discharged, but under reorganization of Dominion Lands Administration substantial economy effected by reduction of staff. All those retired received full benefits to which their period of service entitled them under the provisions of the Public Service Retirement Act.

Inspection service, Edmonton district, reduced by five inspectors:—3 retired under provisions of Public Service Retirement Act; 1 resigned; 1 transferred.

2. No temporary or permanent appointments have been made, but to cope with emergent situations arising from unexpected rush of business, needed help, when not procurable by transfer from permanent staff, has been supplied by emergency engagements under Civil Service Act, Section 23 (4).

3. Not necessary.

4. Answered by No. 2.

5. One inspector, presently engaged for thirty-day period, as explained in answer to question No. 2 Understand he is performing proper duties.

6. No.

7, 8 and 9. Answered by No. 6.

POST OFFICES BUILT 1922-24

Mr. DESAULNIERS:

1. How many post offices were built during the years 1922, 1923 and 1924, respectively?

2. How many were built in each province and what was the total cost of said post offices by provinces?

Hon. Mr. KING (Kootenay):

1 and 3. 1922, none; 1923, 1; 1924, 2.

2. New Brunswick, 1, Sackville, $37,195.14; Quebec, 1, Terebonne, $36,598.59; Ontario, 1, Alexandria, $39,544.40.

ST. JOHN AND QUEBEC RAILWAY

*Mr. HANSON:

Has the government, as intimated in the Speech from the Throne of His Honour the Lieutenant-Governor of New Brunswick on the 12th instant, agreed to take over from the province of New Brunswick the St. John and Qubeec Railway?

Hon. Mr. GRAHAM: I may as well answer this question now. Strong representations have been made time and again by the government of New Brunswick, as well as by members from that province, in regard to the advisability of the Canadian National Railways taking over the St. John and Quebec Railway. So far no agreement has been reached in the matter.

UNOPPOSED MOTIONS FOR PAPERS

MR. SAM PRENTER

Hon. Mr. MANION (for Hon. Mr. Stevens):

For a copy of all correspondence between R. E. Beattie, or Fergus McDonald of Vancouver, and the Minister of Public Works, relative to the proposed retirement of Mr. Sam Prenter from the Board of Harbour Commissioners, Vancouver, British Columbia: also, all correspondence between any persons in Vancouver, British Columbia, and the Minister of Public Works, or any minister or official of the government, relative to retirement of said Mr. Prenter, or other members of the Vancouver Board of Harbour Commissioners.

[Mr. C. A. Stewart.]

BRITISH ORIENTAL GRAIN COMPANY

Hon. Mr. MANION (for Hon. Mr. Stevens):

For a copy of agreement between the Vancouver Harbour Commissioners and the British Oriental Grain Company, relative to the acquisition of No. 3 elevator, Vancouver, British Columbia, together with copy of lease or other documents pertaining thereto; also, copy of correspondence between the harbour commissioners and said British Oriental Grain Company.

PRISON REFORM

Mr. SPEAKER: Miss Macphail moves, seconded by Mr. McDonald (Timiskaming)—

Mr. McDONALD (Timiskaming): Mr. Speaker, I am not seconding this motion.

Mr. SPEAKER: Miss Macphail moves, seconded by Mr. Shaw:

That, in the opinion of this House, it is desirable in the administration of penitentiaries to provide:—

1. Sufficient productive work to keep the inmates employed.

2. That a share of the proceeds go to provide for dependents and in case of no dependents such share shall be held in trust until release.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, it is rather a bad start possibly when the hon. member, who sits to my right (Mr. McDonald), so vigorously tells the House he is not seconding my motion.

It is my desire in this resolution to so amend the administration of penitentiaries as to provide: First, sufficient productive work to keep the inmates employed; and, second, that a share of the proceeds go to dependents, and in case of no dependents such share to be held in trust until release.

A very great change has come about in public opinion regarding penitentiaries, their use and administration, yet the Penitentiary Act to-day does not substantially differ from that passed in 1868. This was the conclusion reached by the committee of three appointed by the Right Hon. C. J. Doherty, Minister of Justice, to advise upon the revision of penitentiary regulations and amendmnt of the Penitentiary Act, which committee reported on February 28, 1921. It seems to me that penitentiaries should serve two purposes: First, to protect society by confining within their walls those who have proven anti-social in outlook and action; second, to remake men, changing anti-social into social beings, and thus protecting society and adding to the fullness and joy of life. Productive work with pay I believe to be the chief remedy needed.

Mr. SPEAKER: Order. There is too much conversation going on in the House. I can hardly hear the speaker.

Miss MACPHAIL: Productive work with pay I believe to be the chief thing needed

to make the penitentiaries what they really should be. We must recognize that the prisoner is the logical outcome of ignorance and wrong thinking. We should therefore treat him as a patient and not as a victim. I believe that the state should be above vengeance. That opinion is held by eminent men who have had years of experience in dealing with prisoners and in penitentiary work. Thomas Mott Osborne, former warden of the Sing Sing penitentiary, speaking recently in Montreal, is reported in the Montreal Gazette of Wednesday, February 18, 1925, to have said that:

> In his opinion the principle of deterrent by fair treatment of the prisoner was the only principle of use in a penal institution. He thought that the great punishment that comes to a prisoner is the loss of his liberty and the stamp of society's disapproval. Retaliation by the state he condemned.

In the report to which I have already referred, made under the administration of the Right Hon. C. J. Doherty by a commission composed of Mr. Biggar, Mr. Nickle, and Mr. Draper, it is stated:

> It is necessary to eliminate wholly the idea of vengeance, not on humanitarian grounds or because of its painful consequences to the individual, but solely because of its stupidity and on grounds of common sense.

And again:

> Almost all the inmates of the penitentiaries must, before they die, be returned to freedom, and each prisoner on his release shall be called upon to live the ordinary life of a free man. Society must inevitably suffer if during his term a convict's spirit has been broken, if his habit of industry, if it existed, has been suppressed, and to the extent that his morals have been corrupted by prison association. It is ridiculous that society should store up trouble for its honest members, weaken itself and involve itself in large and unnecessary expenditure.

That is the conclusion reached by the three gentlemen composing the commission. To that, may be added the testimony of very many eminent citizens of the United States. I shall give only a few. William H. Moyer, reporting on prison discipline to the Prisons Association of all the states of the Union held in New York in 1919, said:

> It is now pretty generally conceded that one of the primary objects of imprisonment is reformation of the individual. If it is to succeed he must receive training instead of discipline, a careful and effective preparation for right living after release and the imprinting of an earnest and an honest desire to become a useful and law-abiding citizen. If we could more fully understand that the trouble in most cases is due largely to the lack of proper early training along right lines, we could more readily appreciate that what the offender needs is training not punishment for the lack of it.

Brigadier-General Hughes, Superintendent of Penitentiaries in Canada, in a letter to Tom Moore, president of the Trades and Labour Council of Canada, said:

> From crude, crooked and waste materials the task of the penitentiaries is to turn out as their product good citizens.

The Prisoners' Welfare Association of Canada, through their secretary, John Kidman, believe similarly that we should try to reclaim the prisoner rather than punish him.

Again, General Hughes in his report of 1921, says:

> It has also been demonstrated that seldom is a conversion to virtue obtained through punishment. Physical force can check or temporarily restrain various forms of evil, but usually at the cost of rendering them still more intense and permanent.

And again in his 1923 report he emphasized this by saying:

> I have looked in vain for one example of true conversion to virtue through punishment.

I believe that in order to make good citizens in our penitentiaries we must have productive work, and that that work, when well done, should be rewarded. This is not a new thought; it too is held in common by the Superintendent of Penitentiaries for Canada, the wardens of the different penitentiaries and by the committee that reported in 1921. General Hughes in his report of 1921, page 15, says:

> In order to make good citizens of the hundreds of young men now pouring into our penitentiaries, institutions should be provided for their proper segregation and classification, together with suitable government work in sufficient quantities to keep them continually and usefuly employed. It would be an easy matter in a very few years to make the penitentiaries not only self-sustaining but to pay each inmate a small wage for labour satisfactorily performed. Tremendous advancement has been made in the last two years, but it is only a beginning of what should be done.

Again he says:

> Inmates must work if any progress is to be made toward making them better citizens. It is needless to attempt to reform them if they be kept in idleness or made break stone.

He stresses this over and over again, in sometimes quite strong language. He says:

> Nothing ever written regarding the "stone pile" was to my mind sufficiently severe and I never look at the men at this work that I do not wish I could place those responsible for the necessity of its existence in their places. It is a matter of choice between idleness and stone piles, the lesser of the two evils, the stone pile.

The exact recommendation in regard to work with pay, made by this committee of three, is as follows:

> The committee, therefore, most emphatically recommends statutory provision to provide productive labour for all convicts. . . . The mere provision of work is not, in the opinion of the committee, sufficient. That the heaviest penalty for a crime is paid not by the criminal

but by his dependents has been chiefly emphasized before the committee, not by philanthropists and charitable workers, but by judicial, police, and penitentiary officials of good standing.

Their conclusion is:

If anything but evil is to follow from punishment by imprisonment for long terms it is, in the opinion of the committee, essential that such provision should be made as will allow the convict to earn at least something toward the support of his dependents during his confinement or of himself after his release.

The Hon. Albert E. Smith, governor of the state of New York, addressing this same American Prisoners' Association in 1919, said, on October 20 of last year:

If the state is interested in returning the man or woman to society as useful citizens it will never be able to do it unless during the period of confinement their minds are occupied by what they are able to do in life. We all know what work means, what satisfaction it brings to a person at the close of a day to say, here is what I have accomplished to-day. That is true of people in prisons just as it is of individuals out in the world.

I think it is very much truer of people in prison than it is of us who have our freedom, who have many other things to interest us and make each day worth while. If the men in our penal institutions were interested in some form of labour that would employ both their hand and their brain it would undoubtedly make the task of discipline a very much easier one. Authority after authority has come to that conclusion. I will quote one, Mr. Moyer, whom I quoted before. Addressing the American Prison Association, he said:

We believe that training both the mind and hands of the prisoner along useful lines offers the best and surest method of redeeming such as are redeemable.

The president of the association, Mr. F. M. Spurr, said:

Being a convict should not rob a man of his right to work, nor rob him of a fair recompense for his labour, after the cost of his maintenance is met. . . . Some fair pay given for their labour should so stimulate them as to make discipline fairly easy.

How can we expect to turn out from our penal institutions honest, law abiding citizens if we treat them in such a way as to make them feel we have not been strictly honest with them while they were there? The warden of St. Vincent de Paul penitentiary in his report in 1923 emphasizes very strongly the need of work and the need of recognizing good work with pay. The superintendent had mentioned the setting aside of a fund to pay a small sum to the working and deserving inmate, and the warden of the penitentiary emphasized this by saying:

In the case of a married man it would in many cases help to keep the fireside going and possibly prevent the ruination of his wife and family through outside influences over which they may have little or no control. . . . The feelings or the state of mind of an inmate who has paid his debt to society and who on being discharged returns to his home and finds it ruined or in a state of chaos can easily be imagined. Can one reasonably expect that his incentive to become a better citizen would be strengthened?

Instead of requesting the appropriation by parliament of a fund, he suggests that work be given by the different government departments to the penitentiary service, and his experience has taught him that by so doing it will be possible to defray the whole cost of such an outlay or even to make a surplus. Conditions are very difficult for a family, the husband and father of which is in prison, because that whole family has to share with him in the disgrace, even though they have had nothing to do with the crime. It is exceedingly difficult for them to get work; they have to bear almost the full brunt of society's disapproval. That makes it even more necessary that they should be provided for, because they are not on a level footing with other people in the labour market, in the securing of any sort of work. The public, with or without reason, are suspicious of the family of a convict.

I want to quote further from the governor of New York state, Albert E. Smith, in regard to the earnings of prisoners. He says:

I feel strongly on that subject. It has been my experience not only since I have been governor, but all the years I was in the legislature, that the real sufferers as a result of prison sentence are the dependent members of the prisoner's family. The prisoner is taken over by the state, supported, fed and clothed, and his children, if he has any, and unfortunately a great many of them have, and his wife are thrown upon the mercy of friends and relatives, or else become public charges. The most pitiful cases one can listen to are continually brought to the attention of the governor—stories of actual want and actual starvation as a result of the breadwinner being locked up in the state prison. Yet it is unfair to society to let them out of prison. Though the prisoner is where he belongs, that does not take from the state the obligation to do something for the man's wife and children while he is in prison.

Many members of this House have received petitions from dependent families and wives entreating that the breadwinner be let out of prison, even though, as the governor of New York state says, that is where he belongs. I have in my hand a letter from Pathfinder, Alberta, which was sent to one of the hon. members in this section of the House, in which a woman entreats the hon. member for her constituency to do something to get the head of the family out of prison. The letter was written on January 16, 1925. This woman has ten children, most of them very small, and the two older ones, who under ordinary circumstances might have been able to help, are mutes and therefore of no use in the

labour market. This is an extreme case, but there are many others, that I am sure other hon. members could cite many examples which show that while men who have broken the law should be kept away from society for the sake of society, still, great numbers of people are suffering unduly on that account.

I should think that if the family of a prisoner were getting some support from that prisoner while he was confined they would have an added respect for society; because they themselves were not to blame for the deed and they would feel that society was treating them fairly and not heaping upon their unfortunate heads the payment for a crime committed by someone else. I think, too, it would give them an added respect for themselves, and the most terrible thing that can happen to any of us is to lose our self respect, because when we do that we become entirely reckless and care not at all what we do. So I think it would help to hold the children who are to become citizens of the country high in their place in the social scale, and to keep the wife in that position, if they were made to feel that they were at least respectable, law abiding members of the community.

It would also have a tremendous effect upon the prisoner himself if he felt that he was still of some account, that he still had responsibility; because often it is true of us —and it must be true of those who are confined in prisons—that responsibility will hold us to a task when nothing else will. It would make the prisoner feel he could get a new grip on life, and would help him strive once more to climb to a worthy place in society. All that the Superintendent of Penitentiaries has asked for in his many reports and requests for work with pay is government work; that is, work to be done for the different departments of the government. He sets that out in detail in his report of 1921.

> The inmates of the penitentiaries are the wards of the Dominion government, and there is no valid reason why goods required for state use, and state use only, should not be made in so far as possible in the penitentiaries. The government spends many thousands of dollars yearly for furniture, furnishings and equipment of various kinds, a small portion of which could be made in the penitentiaries—

A large portion of which I think could be made in the penitentiaries. Brigadier-General Hughes told me just some few weeks ago that with the equipment they now have in the penitentiaries they are doing only one-tenth of the work of which they are capable, and that if they had the equipment such as he would like to have, they would be doing one-twentieth of which they were capable.

I have here, but I do not wish to quote it at length, a document prepared by the secretary of the Prisoners' Welfare Association, of which I believe the Minister of Railways (Mr. Graham) is the honorary president. They give strong support to this resolution, saying that there is no time so difficult for a man and his family as immediately after he leaves the penitentiary. He is feeling the lack of respect, the lack of confidence in himself. He is possibly clothed in rough clothing that makes him almost a marked man, and, as well, possibly his changed complexion and other things show him for what he is. He comes out of the penitentiary with almost no money, and very often with no skill for any trade, and it is difficult for him to get back into society. This embitters him, and the result very many times is that the man in desperation in the first few weeks after his release turns back to crime.

It has been said by people who oppose work with pay in the penitentiaries that free labour does not want the prisoners to have work and be paid for it. But that argument can no longer be advanced. In 1920 Brigadier-General Hughes wrote a very lengthy letter to Mr. Tom Moore, president of the Trades and Labour Congress, in which he set forth the need of work and the need of pay for it, and his desire that Labour should support him in that respect. The Congress recommended concurrence in this scheme, and further recommended that the entire penitentiary system of Canada be investigated, and further that the question of prison labour and the disposal of its products be thoroughly inquired into and reported on by a commission, and that a representative of the Trades and Labour Congress should be included on that commission. That commission was appointed the next year, in 1921, and I have quoted at some length from its report. Labour dropped all its objections to that particular thing that Brigadier-General Hughes was asking for, work with pay, and they went further, because in 1924 at their last annual congress they accepted the whole report, which goes into very many other prison reforms that I am not touching upon to-day, and they hoped that this whole report, which consists of about seventy pages, would be put into practice. So, there can be no argument that free labour is unwilling to have work done in penitentiaries and the prisoners paid for their labour. But, even if that objection still existed, what influence would the labour of 2,500 prisoners in the penitentiaries have upon one and a half million of workers, even in times of stress?

The number in the penitentiaries is so small that the objection never was a weighty one.

If we carry this resolution to-day, and if the government helps the Superintendent of Penitentiaries and the wardens to put it into effect as soon as possible, there is no doubt in my mind that it will effect a tremendous material saving, apart altogether from the lives of people, which to me is of very much greater importance than the material gain. But, quite apart from the remaking of the men and the caring for their dependents, there will be a very great material gain. The net cost of all the prisoners in Canada in 1923 was $1,441,900.93, or a per capita cost of $558.44. When you add to that the cost of the average conviction for crime, which is about $1,200, you will immediately see that if work with pay for prisoners could be so extended as to make the penitentiaries self-sustaining, and at the same time reclaim the men, we would save what it costs to keep these inmates in the penitentiaries, and over and above that, what it costs to reinstate them in the penitentiaries when, under the present system, they find their way back there as the easiest way out.

This plan of work with pay has been tried in very many places with success;—perhaps I should not say in very many places, but certainly it has been tried, and with very great success. There are two states that have made it a paying proposition, one of them Minnesota. I am quoting again from this account of the Prison Association convention in 1919. Mr. C. E. Vasaly, speaking for the Minnesota Penitentiary Board, says:

> We make a great deal of money, but we make something in the prison much more important than money, and that is the making of men. We would have no excuse whatever if we did not lend our industries sucessful as they have been, and still more successful as we hope they will be, to the making of men rather than the making of money. In the first place, our prison earns its support; it saves the state something like $360,000 a year in that respect. In other words, the prisoners are earning their board, which they would have to do if employed outside in industry, so I consider that nothing particularly to criticize. In addition to earning their board in that form of saving, they received in wages last year over $100,000, and will receive over $125,000 this year. What is that per capita? The earnings would be about $366 per capita. Prisoners earn from 25 cents to $1.50 per day, and it is our purpose to increase that. The prison made a profit which goes into a revolving fund, which is in fact the capital account.

I find by later reports that that revolving fund has reached the sum of $6,000,000, and out of that they buy the raw materials with which to work. He also says that they write off depreciation on the buildings, and that the yearly profit, after all expenses,—wages to prisoners, hospital fees, and so forth,—are paid, is devoted to the welfare of the institution and its inmates. He goes on to say:

> In that connection let me say that I know of no greater aid to prison discipline than wages. . . . The prisoner is contented, first of all, because he is working. He is contented because he is earning something for his family. . . . Those things put together have great effect on discipline, and make the prisoners more content and make them feel much more hopeful than they could otherwise be.
>
> It seems to me any system of prison labour, no matter what it may be, that does not take into account that side of things, the creation of contentment and hopefulness in the prisoner, not only with regard to himself but his family, is a mistake.

The other state that has made a success of it is the state of Michigan. The most notable success in administration was achieved by Warden Jackson, of Jackson penitentiary. At that institution they pay in wages from 10 cents to $1.50 a day, to which must be added shelter, clothing, food, medical attendance, dentistry, and so on. For the year ended June 30, 1917, a net profit of $156,000 was shown at the Jackson penitentiary, and this result was accomplished after paying all the expenses of the institution, making proper allowance for the depreciation of buildings and machinery, paying wages to the inmates and providing them with food, clothing and other necessities. The next four months following the end of the year referred to, namely, July, August, September and October, showed an increase in the profits, amounting for that period to $300,000. This was an addition to the material gain represented by having no idle men, by a general improvement of health, and the employment of twenty-five per cent of the inmates on farms who were practically free men and not under guard at all.

The other state which has tried the system, but in a lesser degree and therefore with less success, is New Jersey. At that institution only a small wage is paid—not more than 30 cents a day; but interesting work is provided for the convicts, and it has been found very beneficial to the men in maintaining discipline, developing their character, and so on.

In presenting the foregoing facts I have not disclosed the adverse side of the situation. However, in all the works on this subject that I have read, and I have all that I could obtain, I do not find an adverse side. Nor could I find any argument against giving profitable work to prisoners. On the contrary, all the facts that I could discover favoured such a programme; and those institutions where it is not in operation were praying that they might soon have it. Therefore experience shows that it is the one great thing the

penitentiaries must adopt before they become the kind of institution which public opinion wants them to be—a re-maker of men.

It seems to me that we in this House, who really are the guardians of these wards of the Dominion government, must find in our treatment of this resolution a test of our own intelligence and our own humanitarian instincts. Surely, we in this generation should crystallize into legislation, and into the administration of these institutions, the best principles we can. If we do not do that we are not fair to succeeding generations and succeeding parliaments. We are not taking advantage of our privileges if we do not adopt the best features in penitentiary administration which past experience has developed and put them into operation. If it is possible for all the hon. members of this House to help in the re-making of men, to save suffering to those who have really caused no harm to the state, to sweeten the lives of very many people, and over and above that to effect a large economy in public expenditure, why should we not pursue a course that will bring about these happy results? I leave the matter in the hands of hon. gentlemen feeling that they are reasonable men. If I am right in that opinion, if hon. members are the reasonable and sane individuals I believe them to be, they will support this resolution.

Mr. PAUL MERCIER (Westmount-St. Henri): Mr. Speaker, the resolution of the honourable member for Southeast Grey (Miss Macphail) mentions a fact which deserves to be studied and is partially realizable. I have always believed that convicts were employed in sufficient productive work to keep them occupied; and, as a matter of fact, if one consults the official reports of our penitentiaries, he finds that the inmates are kept busy. They learn a trade which shall permit them some day, when they return to social life, to become again citizens who will generally work with others for the welfare of the community.

I understand the good motives of the hon. member for Southeast Grey in bringing before this House this resolution. She sees the abandoned families as the result of the condemnation to gaol of their heads; she pities the bewildered youth treading the rosy but risky path of life who has been sentenced to a reformatory after a second or a third offence and is now confined there; she pities other condemned men, left without a soul in this world, undergoing their sentence. She remembers also that sooner or later they will all alone leave their prison, and although free, must tread the public highway with justice shadowing them and the police officer at hand. We certainly sympathize with the hon. member for Southeast Grey. On the other hand, we shall not forget that this government, as others in the past, through the Minister of Justice, has acted on the principle that it is by sufficient work that the culprit is regenerated. By this means he has the chance to become again worthy of occupying his former place in society, following at last the path of honesty and integrity. When convicts are taught the elements of an industrious life, they discover finally, that they can be useful to themselves, to their relatives and to their fellow citizens. In this way the state endeavours to profitably preserve a convict for society. Indeed, Mr. Speaker, society is a community submitting to the very same natural laws as the family itself. The Chaplain of the Health department in Paris, Abbe Geispitz, in his noted book Sous les Verroux enunciates these sentiments:

(Translation): "At all times there has existed and there will always exist daring, venturesome, whimsical and strange people. They have in the past made up the host of warriors, sailors and explorers. These fearless energetic and dauntless men these "dare-devils" often shedded much glory upon their country.

Perhaps, by remaining at home this too great activity would have turned to evil deeds, and their career abruptly ending with a rope around the neck. While being thrown in a larger sphere, without stifling laws, they had the opportunity of being of service both to their country and themselves."

And this man of experience in prison life to proclaim:

(Translation): Should we not ask ourselves if, today, we could not find some outlet for all this population too energetic to live in this stifling atmosphere and especially to prosper therein.

We share the opinion of this outstanding writer. We do not perceive in what way these words proclaim an Utopia. If one reflects upon this very vital question, consults the wardens of penitentiaries, asks the advice of judges and crown attorneys, the voices of experience, he will get the following answer: "Remove from the great centres of population these convicts, either for a certain time or for a definite period; set them to work like any other free men and the best results will be reached." Thus, we shall be able to prevent recidivism and to reduce the number of prisoners which is continuously increasing at the expense of the country.

Canada owns immense territories, almost boundless. She is anxiously waiting for immigrants and settlers. These prisoners, desiring to work, should find there a new life, perhaps a happy home with their families, if the state decides to adopt a policy providing for their support until such time as they are able to maintain themselves. Then they

would be entitled to receive pay for their work. Their labour would not only give them the opportunity of getting rich but would enrich our land. Moreover this is the principle successfully followed in the United States, Australia and New Zealand. This, in my humble opinion, should meet the wishes expressed in the resolution of the honourable member. The Department of Justice, it seems to us, Mr. Speaker, could easily carry out a policy of improvement on land lately opened to colonization and in doing this utilize the labour of our penitentiaries. In so doing, we will be acting charitably towards these unfortunate inmates and they will be actuated by feelings of remorse and repentance.

I would have supported the resolution if it had tended to that end. I do not imagine, Mr. Speaker, that it is a good thing or sound public policy to remunerate convicts for the kind of work they are actually doing. This work is now useful to themselves only and no profit whatever comes to the state which pays heavily for their betterment. These prisoners should avail themselves of the opportunity to improve their minds and thus develop the talents which, because of their criminal tendencies have remained dormant in their hearts and brains; so that when released from the penitentiary, they will derive immediate benefit, and will look to the future with a hope and confidence they had never experienced before. This opportunity, be it remembered, will be provided at the expense of the nation.

We do not wish, Mr. Speaker, to oppose the idea suggested by this discussion. The resolution of the honourable member should be graciously received and studied: it can assuredly do much good, if it is properly applied not only to the convicts but to their afflicted relatives.

In closing, Mr. Speaker, allow me to quote a page, admirably written, in French, and to the point in this debate, from the work already mentioned in this speech and entitled Sous les Verroux of Abbe Geispitz:

(Translation) "The convict population is costly to the country; it can, it must be productive. France will rise in one's esteem by taking away from all citizens the right of doing wrong under the plea of dire necessity, it is within her power; her territory is vast enough to feed the whole population and to provide for these riotous energies an outlet. It can subsitute to the army of criminals who to-day burden her finances without any benefit whatsoever, an army of pioneers and colonists who will mend their ways with these brighter possibilities of life before them and gather wealth for themselves as well as bring wealth and glory to their country. It can, and will perform such a duty.

Let us meditate over these words, Mr. Speaker, and apply them to Canada in the near future, if that is feasible.

[Mr. Mercier.]

Mr. J. L. BROWN (Lisgar): The matter which has been brought to the attention of the House by the hon. member for Southeast Grey (Miss Macphail) is in my judgment one of such importance that I would not like to cast a silent vote in support of the proposition. There is no more serious blot on the history of the past than the treatment of those who, through misfortune or faults of their own, come under the ban of the law. One cannot read that great masterpiece of Victor Hugo's without being profoundly impressed with the fact that many who might otherwise have been eminent citizens in the community by no fault of their own have been brought into circumstances where they have been compelled to hide from the minions of the law. Indeed, many of our great masterpieces of literature concern themselves with the treatment of those who have been inmates of penal institutions. We are happy to believe that to-day there is a different outlook upon those problems, and happy to believe that those who are in charge of our penal institutions are not brutes in human form that we read about in some of those pieces of literature. It has been my good fortune to come in contact with some of those who are at the head of our penal institutions, and I have been greatly impressed with the thought that they were men who were Christian and humanitarian in all their outlook upon life, and I am happy to believe that these men are doing all that lies within their power operating under the laws as they exist, and that they are doing all they can to better the conditions of those unfortunates who are placed in their charge.

4 p.m.

There are three aspects to this question of crime. There is the aspect of prevention, and of punishment and of reform. We cannot over emphasize the necessity of doing all we can to prevent crime. It is recognized now in the medical world that the prevention of disease is perhaps more important than the cure. Certainly it is of equal importance. In regard to our attitude towards crime, society cannot hold herself guiltless altogether in regard to crime as it exists. Many of those who are to-day in our penal institutions are there because they are victims of conditions for which they were not altogether responsible. Society as a whole cannot hold itself innocent in regard to this matter. Then we come to the question of punishment. We cannot perhaps altogether refuse to recognize the fact that the criminal must be made to realize some of the consequences of his misdeeds. We cannot perhaps altogether allow him to forget that the way of the transgressor is hard and that the man

who sins against the laws of nature and the laws of God must in large measure bear the consequences of his misdeeds. At the same time, as has been well pointed out, we must banish from our thoughts the idea of revenge. Whatever we may think of the relative importance of punishment and prevention, there can be no question in our minds, that as regards the question of reformation that that is one of the most important things we can undertake and one of the most necessary. It may not be always possible for us to see our way clearly. Possibly we will still, in our attitude towards the criminal, have to explore many by-paths, perhaps make many mistakes, and perhaps sometimes we will be discouraged when we think that the courses we have pursued with great hope of success have not been as successful as we thought at first they might be. But there is one step it seems to me we can take with perfect certainty, and that is the step that has been indicated in the resolution that has been brought before the House. It seems to me it is sound from every viewpoint. It is sound morally, it is sound socially and sound economically. It is sound from the standpoint of the individual, from the standpoint of his dependents and from the standpoint of the state. I do not need to labour the point further. It has been already well emphasized that from the point of view of the individual good honest work is to his advantage. We are not so sure that labour is a curse as perhaps we have thought it to be in the past. Good honest hard labour is indeed the foundation on which all society rests and upon which human progress is built; and if there are men who are averse to labour, if it is true in a large measure that many of the inmates of our penal institutions are unwilling to exert themselves, they are there because they have never learned the dignity of labour, or because they were placed in such circumstances as made them disinclined for employment. If that be true, one of the best things we can do for such men is to teach them something of the joy as well as of the material value of substantial, honest toil. Perhaps one of the greatest evils we have to face to-day is just the disposition on the part of men to get an easy living without honest labour. So that from the standpoint of the individual nothing can be said against but everything in favour of the proposition that he should be given sufficient work of a useful kind to keep him actively employed.

The old idea, the stone pile and the treadmill which Charles Reade describes in one of his novels, must be abandoned; and if we are to give men work to do in our prisons it must not be simply physical employment for the sake of keeping their muscles in trim; it must be useful work in which the labourer will see that he is accomplishing something. Is there any reason why that work should not be paid for? None that I can see. There is no valid reason why the man who performs such work should not be paid for it, or why society should not receive the product of his labour. The fact that the state has seen fit to take him in charge does not imply that the man should not be allowed a proper recompense. Certainly the idea is commendable from the standpoint of the dependents. We know it is all too true that the sins of the fathers are visited upon the children to the third and fourth generation, there are certain inescapable consequences that follow wrongdoing as naturally as night follows day. But that is no reason why society should heap further penalties on the dependents of the wrongdoer. And yet that is what we have done. We have visited them with our disapprobation relegating them to an inferior place in the community and we give many manifestations of our displeasure. And besides all that we have withdrawn from these people the means upon which they depended for their subsistence. Why should we continue to heap on their dependents burdens other than those which naturally follow from their wrongdoing?

I say, further, that the proposition is sound from the standpoint of the state. The state in its own interests has felt it necessary to take the law-breaker under charge. As has been said, he has been anti-social in his outlook and he must be brought to a proper view of his relation to society. He would not work voluntarily of his own initiative; he would not work under his own guidance; he must therefore work under the guidance of the state. But if the state in its own interests and for its own safety, assumes that responsibility towards the law-breaker, it does not thereby follow that the state should be put to unnecessary expense in punishing him. It does not follow that society, because a certain individual has broken its laws, should be further burdened with the care of him. There is no sound reason, then, that can be advanced why the criminal in our penal institutions should not be allowed to earn wages that will pay for his maintenance and at the same time assist his family; and if there is anything left over I do not see why it should not be given to him as a fresh start in life. I know that arguments have

been used in the past against this; but I am only too happy to believe that the attitude of organized labour towards this question has changed, if that is the fact, as I hope it is.

We have regarded the product of prison labour, thrown upon the community, as a wrong against society. Why should we so look upon it? We shall have to change our point of view in considering those who are thus engaged in productive enterprises. Too long we have been under the error of thinking that those who contribute something to the wealth of the state are injuring the state or somebody else. We must get rid of that notion and take the view that those who produce wealth in any form, whether it be the product of free labour or of prison labour, are doing something for the general well-being. When we look at the matter in that light I think we shall be prepared to change our attitude towards the product of labour. It has been suggested that the goods produced by prisoners should be made use of by the state itself. To some extent that is being done now; I believe that at the penitentiary at Stonewall large sums of money are being saved to the government in the repairing of mail bags. What may be done in other penitentiaries I am not aware. And those who are incarcerated in these institutions make their own clothing and so help to some extent to relieve the state of the burden of their maintenance. But I would not limit their activities to producing goods for the benefit of government departments. There is no valid reason to my mind why the goods produced in penal institutions should not be put upon the market.

Mr. LAPOINTE: I am afraid my hon. friend would then come into conflict with organized labour.

Mr. BROWN: That may be, and I am quite prepared for the conflict. I had hoped from what my hon. friend (Miss Macphail) said that organized labour had changed its attitude.

Mr. LAPOINTE: Yes, but they are in favour of prison labour being used for governmental purposes.

Mr. BROWN: Well, I am in favour of its employment for other purposes. I say, I see no reason why the products of prison labour should not be put on the market—not at slaughter prices I say, but in fair open competition with the product of free labour. When we have a proper attitude towards the question of production, when we get away from the idea that men who are producing something are doing something to the injury of somebody else, and realize that men who produce wealth in any form are doing something for the benefit of humanity as a whole, then I think we will be prepared to change our attitude on this matter. In the meantime I do not suppose it will be possible for us to go as far as I have indicated. For the present I am quite satisfied to take the one step, and if we can get a larger amount of the energy of the penitentiary inmates turned into the production of goods for the use of the state, well and good. But, as I say, I cannot see the difference. I can quite well imagine, for instance, that if the contractors who supplied the furniture for this magnificent building had been met with the proposition: "Well, we can get this furniture manufactured in the penitentiaries," there would have been a loud protest from them. So that after all, Mr. Speaker, there is no difference whether goods are produced directly for the benefit of the state or for the benefit of the people. There is no logical distinction, it is simply a distinction without a difference and exists only in our imagination. However, I suppose we have to bring people along slowly in this path, and if we cannot take the longer step we would like to take, we must be content with the shorter one. In my judgment there can be no logical or any other reason advanced why this resolution should not be adopted, and I should like to see it adopted unanimously. If we have not accomplished anything in the past it has not been because we have been definitely opposed, but very largely because we have been indifferent. But this matter is being forced upon our attention now as it never has been before, and I think the country is beginning to demand that we take a definite step forward. Perhaps we have been deterred by some things that we thought would be difficulties, but our duty to-day is to meet this problem and, in the light of the new opinion which we are developing in social matters, to take the step forward that has been indicated.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, after the very comprehensive and forceful address by the hon. member for Southeast Grey (Miss Macphail) I do not know that it is necessary for me to spend a great deal of time in endorsing the views which she has set forth. It seems to me that in a great many ways the public generally is in advance of the penitentiary officials in this matter as in a good many others. I suppose

possibly those who have charge are apt to get into a routine, and since the unfortunate victims of our judicial system have often no one to plead their case, the injustice and wrongs that they suffer do not come before the public as they might in the case where the interests of other sections of the community are concerned. My attention was called only this morning to a rather interesting news item on the front page of the Citizen, which shows that some of our local magistrates are taking this question into consideration. The item is headed and reads as follows:

Sentenced to jail, still at his job

Unusual parole is given married man with large family in Kingston.

Kingston, March 18.—To be allowed to work in the day time at his job in a local factory and to return to the county jail at night was the unusual parole granted to a Kingston married man, who was a few days ago sentenced to two months in the county jail for stealing tickets and selling them at the Jock Harty arena, where he was employed as a ticket collector. He has a wife and several children to support, and this is the first time he was ever in trouble. His former employer gave him his job back again.

It seems to me that if a private employer has sufficient humanity and common sense to be willing to trust a man in this way and to see that his family is looked after, the government of the country surely ought to follow his excellent example.

Sometimes some of us in this corner have been accused of seeking to travel rather too fast in attempting to bring in reforms, but I would urge that the question of prison reform has been before the public again and again throughout a great many years. I remember very distinctly the sense of shock that came to a great many people in Canada back in 1914 when there was issued the report of the Royal Commission on Penitentiaries. The member for Southeast Grey has referred to more recent documents. I go back to that earlier report in order to show that for that length of time a great many people have been urging reforms in our penitentiaries. I had occasion several years afterwards to visit the Kingston penitentiary when I noted that comparatively few of the reforms suggested by the commission had actually been put into practice, and I am advised that the major reforms have not yet been introduced at that penitentiary. May I read a few paragraphs from this report?

Solitary imprisonment, labour and religious instructions have been the only agencies employed for the reclamation of the unfortunates. The first of these three has always been a prominent feature of the discipline. Probably in no prison on the continent do the working population spend as many hours alone in their cells as they do in our Dominion penitentiaries. They leave their cells to work and they return to them to eat and meditate and sleep. On Sundays the single break in the monotony of life in the cell is the hour of divine service, and when a holiday falls on Monday that hour is the only relief enjoyed for two whole days and two nights.

Again:

Labour, the second corrective influence stipulated in the act, has always been rigidly insisted upon. Years ago when there was a system of productive industries in the penitentiaries, the intention of the act to provide "well-regulated labour" was, no doubt, fairly carried out. The abandonment of these industries has made it physically impossible to employ the population at "well-regulated labour."

And again:

The industrial conditions in the penitentiaries of Canada are a disgrace to the Dominion. An honest attempt is made by the officials to keep all the prisoners employed at something, but it is only an attempt. As far as your commissioners could learn there is not a single well-equipped well managed, continuously busy shop in the whole circle of prisons.

I may say that I have had confirmation of this from the wardens of the penitentiaries, who themselves are very keenly interested in seeing that something should be done in this regard. The report goes on:

The reason for this state of things is not far to seek. There are no goods to be made, and if goods were made, there is no place to market them. The blacksmith shop at Kingston was running nicely when the commission made its visits. Steel gates for a new prison in the west were being turned out. When that order is completed, the management will be hard put to find employment for the men in the blacksmith shop. The tailor shop, carpenter shop, painters' and tinsmiths' shops are operated merely to meet the requirements of the institution.

Reference has already been made to the stone pile. That institution is, I believe, still in existence at Kingston as it is at other penitentiaries. Let me read the words in which this occupation is characterized by the report of these commissioners:

The conditions in the workshops were found to be fairly satisfactory. Like the rest of the buildings they are old style structure and their lighting and ventilation could be improved. The ceilings are high and there was no evidence of congestion of workers in any particular shop. To this statement, exception must be made in the case of the stone-breaking shop. Every feature of that department was bad. The atmosphere was charged with stone dust and there was apparently no adequate provision for carrying it away. The closets, situated at one end of the buildings, were poorly constructed and foul-smelling. Over seventy prisoners, some of them mere boys, were at work in this department when the commissioners made their visits. They were arranged in rows, facing each other, and the stone to be broken was piled in a long heap between them. As the raw material was reduced to the required size, fresh supplies were wheeled in by tenders from the yard. There was perfect order among the men. Not a word was spoken. But the monotonous raps of the hammers, the sullen, whitened faces of the forms, half crouching over their unhealthy, unprofitable, degrading tasks, were a mute but powerful denuciation of the system that permitted, or rendered necessary, such an outrage. Nothing has

been said, nothing can be said, in defence of this twentieth century reproduction of the unceasing moil of the galley slave.

It has been suggested to me that if some members of this House could by any stretch of imagination be forced to spend even a few days in such an institution their attitude toward this problem would be altogether changed. Most of us are busy; most of us are not brought into direct contact with these questions, but if it were otherwise I am sure there is not a man in this House who would wish to see such conditions tolerated for another year.

Another point to which I should like to direct attention is the lack of any proper alienist in connection with most of our penal institutions. Any student of social problems must recognize that a very great amount of our crime is directly due to mental deficiency. One cannot visit a penal institution without noting that a very considerable number of the men are subnormal, and one's own opinion in this regard is corroborated by talking with the medical doctors and with the wardens. A very large number of the inmates of our institutions are distinctly subnormal, yet we treat them as if they were fully responsible for the crimes they have committed. It does seem as if we cannot go on indefinitely in this haphazard, unscientific manner. We all recognize that crime is very largely the result either of some hereditary weakness or of some maladjustment in our social life, and we ought to take steps to see to it that we do not allow those who are mentally deficient to propagate their kind, and on the other hand that we do not permit those social maladjustments to continue which are responsible for turning out an increasing stream of criminals.

I do not wish to dwell upon another question which is closely related and to which the commissioners called attention, that of the punishments inflicted for the infringement of the rules of the prisons. The most severe punishments have in the past been frequently administered. When it is considered that a great many of those punished are actually mentally deficient, the full horror of such punishments begins to dawn upon one. Surely before we hand over these matters to the discretion of guards who are not fully trained in questions of this kind we should inquire very carefully indeed as to the exact physical and mental condition of the prisoners.

I should like also to urge the absolute necessity of a much better classification of the prisoners. Young and old are very largely placed in the same gaols. It should be quite feasible to make some arrangement under which the young offenders would be placed in one particular set of institutions and the old hardened offenders in another. At the present time, as the authorities have frequently pointed out, we have an arbitrary method of placing the short term offenders in our provincial gaols, which are often very much inferior to the penitentiaries, and placing the long term offenders, two years and over, in the federal institutions. It would seem reasonable that we should judge of this matter not according to the character of the crime but rather according to the character of the criminal. In some instances the offenders, although they may have committed what is called a serious crime, may be youthful—in fact, in many cases it may be their first offence; while in other cases the hardened criminals may be committed to a penitentiary for committing a comparatively insignificant crime. It seems to me that there should be a careful classification.

Further, within these institutions a great deal of latitude should be granted to those in authority in the treatment which they accord to the prisoners. In the hospitals we have many kinds of wards; we have a great variety of treatment for the different kinds of disease. So I take it that in our penitentiaries, which one day will be regarded much more like mental hospitals than they are to-day, there ought to be permitted a varied treatment for the inmates, in every case remembering that the view of leading criminologists is that the punishment administered by the state—or the treatment, shall I say, given by the state—is not so much penal as reformative in character.

With regard to the payment which is advocated in the motion, I should like to go back to this report of 1914, simply because it is the view of another set of people and was given as long ago as eleven years. I quote:

> It has been strongly urged upon your commissioners that prisoners should be paid wages or that a portion of their earnings be devoted to the maintenance of their families. At the present time, the prison population of Canada, far from earning anything for the state, costs the government for maintenance over $300 per head per year.

According to the figures given us to-day, that amount has advanced until it is considerably over $500 per head per year.

> Even if a well-selected circle of state-use industries were established and successfully operated, it is not likely that they would ever make our prisons self-sustaining. They should, however, very materially reduce the annual burden on the country and at the same time provide a fund for the remuneration of prisoners or assistance to prisoners' families. Any wages' system must include all prisoners in its operations.

I should like to stress this point because I know there are some who, feeling the need of caring for families, are inclined to say, "Well,

give payment in cases where there are dependents, but otherwise give no payment." This is the recommendation of the commission on that point:

Any wages' system must include all prisoners in its operations. If married men, or men with relatives dependent upon them, alone were paid, other prisoners, equally skilled and equally industrious, would justly complain. Even the fact that the earnings were given, not to the prisoner, but to his family, would not lessen the discrimination. The only prisoners who can fairly be left off the wages or reward sheet are those under the ban for bad conduct.

The system of rewards or payments to prisoners, according to their efficiency and industry, has been adopted in many of the institutions of the United States and in a few houses in Europe. As an incentive to labour and good conduct, it is invaluable. Men work with much more heart when they know they will be sharers, even to a small degree, in the product of their labour. In fact, their increased output under such a stimulus, it has been shown, goes a long way towards covering the wages fund. An idea of the outlay which the wages or reward system involves, may be gleaned from a survey of the pay sheet at Stillwater, Minnesota. Stillwater, as we have already seen, returned to the state, $362,000 profit on its industries last year. The money paid the prisoners at Stillwater is termed "over-work allowance." In the month of October, 1913, 24 hands working full time, 27 days, received an "over-work allowance" of $282.57, or an evarage of $11.77. There was quite a disparity in the amounts received by the men. One bench hand got $22.89 for his month's work. The earnings of four others were between $15 and $20, and seven were under $10.

As things are at present.

The payment of prisoners, under the industrial conditions that at present obtain in our penitentiaries, would be a question of charity rather than administration. The question is: Should the distress that exists in the homes of many of these men and the sufferings entailed upon their innocent families, be left as at present to the care of local charities, or should their relief be made an additional charge upon the penitentiary appropriation?

Mr. EULER: Would the hon. member say whether or not he is in favour of the product of prison labour coming into competition with the product of free labour?

Mr. WOODSWORTH: I was about to pass to that point. Since reference has already been made to the stand of organized labour, I am inclined to think that taken as a general proposition, I should have to agree with the stand taken by the hon. member for Lisgar (Mr. Brown). If we had anything like a proper system of production, and I should add of distribution, there would be no cause whatever why we should hesitate to allow the product of prison labour to go out on the open markets; but unfortunately we have not a proper system of production and distribution. Under the existing circumstances Labour has been afraid lest the products of the penitentiaries or prisons, which are made without any competition, and which may be made below the normal cost of production should be put out in competition with the products of free labour.

Mr. GOOD: If there were no cutting of prices, would the objection hold?

Mr. WOODSWORTH: Not to the same extent, and I think that that perhaps has been having its weight with labour men in their consideration of this question. May I suggest that labour men have given a good deal of thought to this matter? They have taken by no means an arbitrary or narrowly selfish standpoint. With regard to the prices, if the prices were the normal prices, it would help considerably, of course, but it is still true that under the existing economic system there would be difficulties. To-day there is over-production. Now that over-production is not absolute. I would rather put it that there is a greater production than the people have the purchasing power to secure for themselves. This is the fundamental trouble that confronts us at the present time. We know that on every side we are finding difficulty in obtaining markets. The manufacturers of this country are coming to this House begging that they should be given protection, lest they should come into competition with the lower paid labour of Europe, and into competition with the mass production of the United States. Well, if our great manufacturers feel the need of protection, it is not much wonder that labour that is earning wages that are very little higher than the amount necessary to maintain men in the penitentiaries should fear to have the competition of the penitentiaries, and should ask for protection. Thus we can understand the reason why labour has been a little bit hesitant on this question and why it has been anxious to safeguard the interest of organized Labour. On the other hand, I would like to say that Labour is intensely interested in the welfare of the prisoners. Indeed to no small extent, unfortunately, the men who have actually been caught, and who have suffered most severely at the hands of the law have frequently come from the ranks of labour. There seems unfortunately to be some way in which the high-grade criminals escape the most severe penalties. Labour is interested intensely in the welfare of prisoners, and is willing to endorse any arrangement whereby the interests of these men can be protected during the time they are within the penitentiary walls.

In passing may I venture to call attention to the anomalous situation that faces us at the present time the world over, when we are

afraid of producing too many goods. I wonder if it might not be possible for us pending the alteration of our whole system of production and distribution that we could arrange that the unemployed across this country, the hundreds of thousands of unemployed in Canada to-day, could be furnished with the necessities of life from these institutions, this, until such times as the state could find work for them. I am not putting forward this suggestion as a solution of our economic problem; I am advancing it simply to suggest that an experiment of that kind might bring home to us the anomalous position in which we find ourselves, and might drive us to reorganize our social life in such a way that we would produce not simply for profit, but for the needs of the people. I have no desire, however, to enter this large field of discussion this afternoon.

After the decisions which have been arrived at by the Trades and Labour Congress of Canada, after rather mature deliberation of this question, the government need not hesitate, I think, in endorsing and adopting the resolution put forward by the hon. member for Southeast Grey (Miss Macphail). When we have this productive work, and the payment of prisoners, it will require only minor adjustments to safeguard the interests of Labour in this matter.

Let me urge that the time has undoubtedly come when in this matter of prison reform we should give a great deal more attention to the scientific aspects of the question. We have inherited old ideas with regard to the criminal which are not at all justified by modern social study. I could hope that our Department of Justice could possibly be induced, even though it might involve a little bit more expenditure, to add to their staff a few men who had devoted considerable attention to these questions. Then when the recommendations of these men came in I could hope that these recommendations would not be pigeon-holed, as has been done so often in the past, but even in the midst of all the strenuous political life in which the major officials must spend their time, that they would consider a little more the human side of this question, looking more towards the welfare of the men and the women, and less towards the institutions in which they are housed.

Mr. L. H. MARTELL (Hants): It is not my intention to enter at any great length into the consideration of this resolution. It seems to me that a certain portion of it is simply intended to be an incentive to crime. A person who probably is no good commits a crime. He is convicted and sent to prison. If this resolution carries, particularly the last portion of it, such a person may be sent to the penitentiary for three or four years. There he is compelled to work and that is quite proper because he is placed in the institution and kept there for three or four years as a punishment for his crime; and should be made to do actual physical work. He is compelled to work and the government of the country holds for him in trust the money he has earned until the time comes for his release. In these days of unemployment when there is a certain element in the country which is always agitating and preaching bolshevist ideas there is a lot of people who would probably go to the penitentiary. If they were outside they would not save for themselves, they would not have any money, and so they would go from pillar to post. But after such a man, being in the penitentiary and being compelled to work, on his release is given probably one thousand or fifteen hundred dollars, his earnings, it is said, the result is the man enters upon a new career of crime.

Mr. BROWN: Do you think the possibility of his starting out on a new career of crime will be greater or less by reason of his having $1,000?

Mr. JACOBS: He will have more capital.

Mr. MARTELL: He will have the necessary capital to start out upon such a career.

Mr. BROWN: With no capital he would not be a menace at all I suppose?

Mr. MARTELL: If he has been corrected and taught a trade to that extent he has been benefited. Moreover he has been put in the penitentiary in order to protect society. Now if you permit that man who perhaps, is a single man to get money for the work he has done, it is held in trust for him by the government. While he is in the penitentiary he has no opportunity of spending any money and he goes out with his thousand dollars saved. That is an incentive to a man to commit a crime in order to go to the penitentiary because you are going to make the government of the country the means of his saving the money.

Mr. BANCROFT: Is my hon. friend contending that when a man is put in the position of a capitalist it is an incentive to commit crime?

Mr. MARTELL: No not in the least, that is not my contention at all; my hon. friend has failed to grasp what I am contending. Capital of course is necessary in this country. My hon. friend himself knows that if conditions had been more prosperous in that part of the country from which he comes he need not have left his district.

Mr. WOODSWORTH: I was going to ask if, under this suggested case, a man came out of the penitentiary a capitalist whether that would not be a very good safeguard against bolshevism.

Mr. MARTELL: No; the man would probably go from one extreme to the other. I say that the reason the man was put in the penitentiary was to protect society and also to punish him for his crime. Now you are going to punish him by giving him as good pay, if not a little better, than he would get outside; you are going to reward him by paying him wages for the work he has done in the penitentiary. That amounts to an invidious distinction against the poor man outside, who is honest but unfortunate, who is endeavouring to do an honest man's work with brain and hand, and probably has not been able to save any money. The criminal has been sent to the penitentiary and has been kept there at the expense of the state. And the state when his sentence has expired gives him back a certain amount of money which it is claimed he has earned in the form of wages.

An hon. MEMBER: He is given a premium.

Mr. MARTELL: Yes it is putting a premium on crime. I would almost be opposed to the whole motion, but I think the innocent children should not be compelled to suffer. I believe a man before he commits a crime should reflect upon the results which are likely to flow from his action.

Miss MACPHAIL: Would my hon. friend apply his remark that innocent children should not suffer to the children in his own riding?

Mr. MARTELL: Certainly, all over the country.

Mr. JACOBS: There are some innocents in his riding.

Mr. MARTELL: The children in my riding are all innocent. The remark, I am afraid, is not applicable to all the children in my hon. friend's riding. I trust I made my meaning clear, and I am going to move an amendment:

That all the words after the word "dependents" where it first appears in the second clause of the resolution be struck out.

That will not prevent the state from aiding the children or dependents; but where a man has no dependents I do not think there should be any premium put on his crime by giving him a reward when he comes out of the penitentiary.

Mr. E. J. GARLAND (Bow River): I had not intended to delay the House by taking any part in this debate, and I would not have done so had not the hon. member for Hants spoken as he did and introduced the amendment that he did. I congratulate the hon. member for Southeast Grey upon having introduced this resolution and also upon the manner in which she supported it. She approached the question at first from the humanitarian angle, and I think that is the angle which has largely governed the reports of the Department of Justice on this matter.

Let me, in passing, suggest that the hon. member for Hants would hardly have brought in the amendment he did had he attached the weight to these reports which they are entitled to receive. Possibly he has not read those reports in which event I may find it necessary to quote one or two extracts from them. I think, Mr. Speaker, that the highest ideal embodied in the resolution is to reform and not to punish the criminal. That I think is the intention, at least of the mover of the resolution.

It is suggested in the reports of the department that you cannot reform criminals by punishment. The proposal in the second part of the motion, is if a single man or a man without dependents, is imprisoned he is to be placed at productive work. He earns something, and a part of those earnings will be devoted to the cost of his upkeep in the penitentiary and the maintenance of the institution. What is to be done with the balance of those earnings? To whom does it properly belong? In my opinion it belongs to the convict himself, and the proposal I would submit is that if the sum be large it be turned over to him in a bulk sum at the end of his prison term but that the warden of the penitentiary should be placed in the position of a trustee. The convict should be called before him prior to discharge, and a discussion entered upon for the purpose of ascertaining the prisoner's plans for the future, so that the warden may advise him—in much the same fashion that our wardens, the bankers, advise us—with a view to helping that man towards re-establishing himself for the future in life. The whole sum of the man's net earnings need not be paid out at once; it could be paid out from time to time as the development of the

man's particular trade or occupation necessitated. So far as the first portion of the resolution is concerned I do not think there is any question as to the advisability of carrying it out.

I have heard no objection taken, but possibly as some hon. members may not be aware of some of the details in connection with the misery created, I will call attention to a letter which I received on January 31 of this year from a miners' union. This by the way may answer the question of the hon. member for North Waterloo (Mr. Euler) as to the possible attitude of labour on this question. The letter is from a miners' union, telling of one of its secretaries, a man fairly well respected and placed in a responsible position. He decamped with the funds of the union, fled to Seattle, was caught there, brought back to Canada and put in gaol for three years. At the end of a year the very men whose money he had taken circulated a petition pleading for his release, not because they wished in any way to condone the crime, but because his unfortunate wife and family were in dire distress and serious suffering. That was the attitude of a labour organization on this question. They wanted the man released because his wife was suffering. It may be said, "Yes, they wanted him released rather than given remunerative employment in gaol," but what would he do after he came out? He would at once commence competing in the labour market; he would at once go into the mines in all probability and get a job there, competing with these very men in their own field." Yet after all, what difference is there whether he competes in their own field in the labour market or competes inside the prison wall? There is no difference, and I do not think labour will raise any serious objection to this resolution. In the report of the Superintendent of Penitentiaries for 1922 I find the following:

> Conditions of all penitentiaries have been greatly improved,

And properly so. Amongst the improvements introduced are the following—and this is what I would call to the attention of the hon. member for Hants (Mr. Martell)—

> —the abandonment of the idea of handling all men by rule of thumb and substitution therefor of the personal study of each inmate and treatment of him, as his temperament and disposition would warrant.

Further on I find the following:

> The endeavours now put forth by penitentiary officers to secure employment for inmates on discharge.

A quotation is found further down from a former inspector of Canadian penitentiaries, as follows:

> Society has found by terrible experience that her gaol or prison system has too often turned out to be the largest factor and the most successful machine in the fabrication of the evil it was seeking to destroy.

I find in another report a comparison between the effects of treatment as a whole in different countries. And I take the statement on page 14, as follows:

> In England the severity of former years has been abandoned, and much more sane and humane methods now prevail. There is no criminal laxity however, in either the enforcement of the law or management of those convicted of crime. It would appear, therefore, if good and sane results are to be obtained in Canada we should study the English systems with a view to adopting what they have to offer by way of amendment.

The following from the Philadelphia Public Ledger is most amazing and most convincing:

> Mention has been made of Raymond B. Fosdick's book, American Police Systems. Some of the figures in it almost stagger belief. For example the arrests in Boston in 1918 exceeded the total number of arrests in London by 32,520, a falling off you see of the number of arrests following up the lightening of the punishment of criminals.

That hardly bears out the argument of the hon. member for Hants (Mr. Martell). Philadelphia arrests in 1919 exceeded the arrests in London by 20,005, and Chicago's arrests exceeded London's by 61,874; New York arrests in 1918 exceeded London's by 111,877. In 1919 there were 5,527 automobiles stolen in New York, in London only 290, in Liverpool only 10. In 1918 Chicago had 22 robberies for every one robbery in London, and 14 for every one robbery in England and Wales. Los Angeles in 1916 had 64 more robberies than England, Scotland and Wales combined. Liverpool is one-third larger than Cleveland and yet Cleveland in 1914 reported thirty times as many robberies as Liverpool. It may be argued that there were other factors. I believe there were other factors that tended to the development of the situation, nevertheless the fact stands out that under a more generous treatment that tends to develop the best in a man, rather than to treat him with rigid discipline, we find more favourable results ensue.

I should like to make one other point. About sixty per cent of those sent to the penitentiaries leave them without having suffered punishment. The more punishment inflicted in a prison, the stronger the probability that the place is poorly managed. I quote now from the 1921 report of the Superintendent of Penitentiaries:

> It has also been demonstrated that seldom is a conversion to virtue obtained through punishment. Physical force can check or temporarily restrain various forms of evil, but usually at the cost of rendering them still more intense and permanent.

If that be true in the case of physical force, surely any evolution of a higher, saner and more humane method of treating the men at the time of their discharge and during the time of their re-absorption into civil life would tend also to improvement.

I hope, Mr. Speaker, that the amendment of the hon. member for Hants (Mr. Martell) will not carry in this House. Our idea certainly ought not to be the mere punishment of crime. It ought to be the prevention of crime, and if as I believe this resolution will go a long way towards this by giving a convict more respect for himself and giving him an opportunity to meet fairly those with whom he will have to compete after leaving the prison, then I think every member should regard with favour the resolution.

Mr. W. D. EULER (North Waterloo): I have very little to add to what has been said and probably will not adduce any new arguments at all, but I would like to declare my sympathy for the principle of the resolution as introduced by the hon. member for Southeast Grey (Miss Macphail). I think she is to be congratulated for bringing this matter to the consideration of the House for practical action. The resolution is a credit to her head and to her heart because it seems to me what she suggests is economically sound and a credit to her humanitarian feelings. But I am afraid I cannot follow her in one suggestion that she made, and that was that crime is almost entirely a disease. Possibly that may be true to some degree, but if we recognized that to the full as being true I am very much afraid that if we had not our penal and preventive laws, we would have a very great increase in crime. It has been said that people are not to be sent to prison and punished for purposes of revenge. I am quite in accord with that. It is not the purpose of humanity or of society to exercise revenge. The chief motive for sending a man to prison, apart from the preventive feature, is to punish him, and if possible to reform him. I am in favour of the first part of the resolution, providing for steady work for convicts while in penitentiary. Its wisdom seems to be evident on the face of it; these men should be fully employed while they are held in confinement. That was impressed on me not so long ago when I had not the pleasure, but the somewhat depressing experience, of going through the penitentiary at Kingston and seeing what is being done there. The prisoners were not all busy and they would have been a great deal better off had they been fully employed. So that the first part of the resolution is hardly debatable. The second phase of it perhaps gives some room for a difference of opinion, although I cannot possibly follow my hon. friend (Mr. Martell) in the statement that if men knew that they would be paid for working in the penitentiary this knowledge would be an incentive to them to commit crime.

Mr. MARTELL: The hon. member must have misunderstood me. I said that men would not regard the penitentiary sentence as a deterrent if they knew that they did not run any risk of leaving those dependent upon them absolutely unprovided for.

Mr. EULER: I cannot agree with the hon. member even now. To my mind the great deterrent is the fact that men know that if they commit crimes they will lose their liberty and be disgraced; they know that when they come out they will be the object of the sneers of the world. And the payment of convicts for what they may do while in prison has no bearing on the question as to what constitutes a deterrent to crime. The great punishment is that the criminal is deprived of his liberty, and people have only to see the convicts at Kingston or in any other place of confinement to realize the truth of this.

Mr. MARTELL: After a man has served his time in penitentiary and comes out he becomes a citizen of the country and no one can call him criminal with impunity. Those who call him so are subject to damages for defamation of character. The discharged convict, in other words, resumes his civil status, and although there may be some scorn attached to him, the probability is that he would not suffer to any very great extent if he came out of prison with money in his pockets.

Mr. EULER: Technically perhaps the hon. member is right.

Mr. GARLAND (Bow River): Would the hon. gentleman say that the social position of the criminal was as good after as before his incarceration?

Mr. EULER: I was coming to that. No doubt my hon. friend (Mr. Martell) is right in the narrow legal sense; after a man has served his time he is technically washed clean, so to speak. But surely no man in this House will say that he has precisely the same standing among his fellow citizens as he had before he went to gaol.

Mr. MARTELL: If he comes out with money he may have a better standing.

Mr. EULER: I would support the resolution not so much because its adoption would enable

even a single man to come out of gaol with some money, although I believe that it would be well for such a man to have something to start with. What appeals to me is that we should do everything in our power to prevent the suffering of innocent women and children as a result of some man's crime. We see that principle recognized in the Ontario law: men who have been sentenced for more or less lengthy periods are allowed out on parole, the declared object of that practice being that they may go to work and provide for their dependents.

That briefly is my chief reason for supporting the resolution. It seems to me to be fair and I think that parliament should do everything possible to minimize the unmerited degradation and suffering that comes to those who are not responsible for the crime. I will go further than that; I think I can support the whole resolution just as it is. I believe that even a single man, seeing that he has been deprived of his liberty, might very well be compensated for any work he did so that he might have something to enable him to begin life anew and not be forced to resort once more to unlawful means of making a livelihood. We should do what we can to prevent him from entering again on a career of crime. These are my reasons for supporting the resolution.

Mr. ROBERT FORKE (Brandon): I do not want this opportunity to pass without expressing my appreciation of the speech made by the hon. member for Southeast Grey (Miss Macphail) and endorsing the resolution she has brought forward. I have not had much experience in regard to penitentiaries but I do not think there is a gaol in Manitoba the inside of which I have not seen, although fortunately I have been always on the right side of the bars. Now, I have listened with a good deal of attention and satisfaction to the remarks made by different gentlemen who have dwelt on this matter, and I realize that we are moving in the right direction in our treatment of criminals. Let me say, however, in passing that we should not altogether lose sight of the aspect of punishment. The thug who knocks down an innocent traveller and robs him of his money may deserve careful treatment in the way of reform but we should not forget that there is some punishment coming to people of that sort. Crime has been rapidly increasing along many lines, and it has not been increasing altogether among the mentally deficient. Banditry and a great many similar crimes have largely increased during recent years and there must be some cause for this. I think therefore that we might well look into that phase of the question.

As regards the consequent suffering of the innocent, that perhaps is one of the saddest facts in human life; it is regrettable that no one can commit a wrong without endless misery following in its train and bearing along with it all those connected with the criminal. I do not think that society has been very just in this matter; it visits the misdemeanours of the individual on his whole family. But that is the fact and we cannot help it; we recognize its injustice, but it exists nevertheless. Perhaps more could be accomplished in the way of mitigating the full force of crime in the country. I do not think that after a man has passed the meridian of life as a criminal there is very much hope of making a first-class citizen of him. Do not think that I despair of reforming anyone; I believe in the story of the thief on the cross. But it seems to me that our great hope lies with the young people; we must inculcate right ideas in them, and a great many of our amusements to-day are I am afraid little calculated to raise the ideals of the younger folk. If more stress was laid upon the dignity of labour, if more education was given to our young people to help them understand what really constitutes right living and the joy of life, there would be less crime. The wrong idea is abroad, the idea of having what is called "a good time." We were told long ago by One who came to walk upon this earth that He came so we might have life more abundantly. Now, Mr. Speaker, I think probably that is what everyone is seeking to-day, to make the most of his life, to get all he can out of it. I think that is the idea of the criminal. I think we should teach our young people what constitutes the great, grand and noble things of human life, the things that will bring most happiness to them individually and to humanity. I am quite in line with the arguments advanced by the hon. member for Southeast Grey. I congratulate her upon bringing this resolution before the House, and I intend to support it.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I desire to join with my hon. friend from Brandon (Mr. Forke) in expressing to the mover of the resolution—

Mr. MACLEAN (York): Our sister member.

Mr. LAPOINTE: Our sister member, as my hon. friend very properly describes her—I desire to join with my hon. friend from Brandon in expressing to her the gratitude of the House for having brought this resolution

to our attention. It deals with a worthy subject, and the time of the House has not been wasted in discussing it. I think we all agree that the prisoners in our penitentiaries should be kept working; nothing could be worse for them from every point of view than idleness.

There are two schools of thought on prison reform. The views of one school were expressed by my hon. friend from Hants (Mr. Martell). They believe that the prisoner is indebted to the state, that he should give his labour in return for his debt, and that the penitentiaries should be made profitable institutions. The other school takes the position that reformation is the primary function of state prisons, and that careful segregation should be made of prisoners in order that the larger number of them may be reformed. The work to which they are assigned is really accessory to this main object of reformation. I may say immediately that I share the views of this school; I think that reformation is the main aim to be kept in view. I may say also that, speaking personally, I am going to vote for the resolution as it is.

I agree, though, with my hon. friend from South Waterloo (Mr. Euler) that we should not overstep the mark and proclaim that crime is really a disease. There is a point which could not be overstepped without some danger, and I am led to say that by something I was reading a few days ago in a bulletin issued by the Chicago Crime Commission. Crime has increased in Chicago at such a tremendous rate that the Association of Commerce has been compelled to form a special commission called the Crime Commission, and the following words are from a speech by the chairman of that commission. Referring to the many crime factors, he said:

> A fourth and equally insidious factor has been the development of a perfectly meritorious movement for the study of crime and criminals from sociological and psychological standpoints, and the endeavour to build up reconstructive or reformative treatment that shall restore the criminal to the class of the law-abiding. But whatever of merit or progress any or all of these factors may contain, certain it is that active and diligent organized crime has availed of every possible weakness they develop in the enforcement of the law. When with the best possible intentions there has been created a disposition to deal with crime from a psychological and sociological standpoint—the result has been to minimize the effect of individual responsibility of the criminal himself, and to develop sources of weak sentiment towards a specific crime in a specific case.

No doubt there is considerable truth in these words. The other day, being in New York, I read an interesting paragraph in the New York Herald-Tribune. Judge Alfred J. Talley, addressing the talesmen at the general sessions in New York in January, closed his talk by describing high life in Sing Sing:

> There are movies every night, baseball on weekends, vaudeville once a week, and Broadway shows once a month, with radio a constant feature of prison life. The result is that the average criminal has a better time in Sing Sing than out of it.

Well, I am a prison reformer, if this title means something, but I would not go as far as adopting for Canadian prisons the system which is in force in Sing Sing according to Judge Talley. So there is as I said, a point which should not be overstepped; we should not go too far in this direction. But with that reservation I agree with the principle of the resolution and with what it proposes should be done.

By way of information may I submit to the House what work is being done at the present time in our various penitentiaries? In the New Westminster penitentiary very little work is being undertaken at the present time for other government departments. Entire reconstruction of dilapidated shops, cell blocks, kitchen and so forth, as well as the construction of a wall surrounding the place, is now being prosecuted; workshops are being made fireproof; farming operations on a small scale and clearing of bush land are also being carried on. The internal requirements of the penitentiary, such as tailoring, shoemaking, tinsmith work, machine shop work, blacksmithing, painting, carpentering, baking, operating of gravel pit, and so forth, are being prosecuted.

In the Saskatchewan penitentiary, which is a new institution practically, begun in 1913, already two cell wings shops, hospital, new boiler house, isolation prison and administration building, containing offices, churches, school, library, kitchen, officers' mess, and so forth, have been built by inmate labour, as well as a residence for the warden and deputy warden. About 488 acres of land have been cleared and placed under cultivation. As at all other penitentiaries, tailoring, shoemaking, blacksmithing, tinsmithing, painting, carpentry, machine shop work, baking, and so forth, are being done, always for the use of the penitentiary. At present only a small amount of work is done for outside departments, in the manufacture of harness, tin utensils and some small orders of woodenware. There is also in operation at this institution a brick making plant, where all the brick used in construction work at the institution is manufactured.

At the Manitoba penitentiary we have all the usual trades in operation, as in the other

penitentiaries, for the maintenance of the institution. There mail bags for the four western provinces are repaired. A large building programme is being carried on, together with a remodelling of old antiquated buildings, the construction of a new cell block, a stable, granary, implement shed, root house, and the installation of a waterworks system. A large farm is in operation there also, with about 500 acres under cultivation.

In Kingston the penitentiary has all the trade necessary for internal upkeep, together with a large canvas manufactory, where all new mail bags are made and old ones are repaired; also tents, tarpaulins, bags and other such articles required by other government departments.

Mr. ROSS (Kingston): Can the minister give the House any idea of the number of bags made and the number repaired in a month?

Mr. LAPOINTE: I have not the information at hand, but I will give it to my hon. friend later. Boots and clothing are made at Kingston for the Indian department, as well as some clothing for the Canadian National Railways. Barriers for all other penitentiaries are made there. A large farm is in operation at this institution, as well as a quarry and stone-cutting department. So far as stone-cutting is concerned, it is done for the purposes of construction and repair work. Broom making is also carried on at Kingston, as well as tin and iron work for other government departments. An extensive construction programme is in progress, including the building of a new female prison, sewage disposal plant and remodelling of old shop buildings. There is also a printing department.

At St. Vincent de Paul, in addition to all the usual trades, the penitentiary manufactures leather goods such as leather folders for magazines used by the Canadian National Railways and hotels, portfolios for government employees, saddles, and so forth. Large quantities of hickory handles of all descriptions are turned out, together with small quantities of clothing and boots for other departments. There is a cannery at this institution for canning the goods for the penitentiary. A large farm is worked by the prison inmates. A new cell block capable of accommodating 208 inmates is almost completed, also the construction of a new entrance to the prison, together with a remodelling of many of the old shops and buildings with a view to making them fireproof and suitable for present needs. Bookbinding is another industry of the St. Vincent de Paul penitentiary.

[Mr. Lapointe.]

At Dorchester we have all the shops similar to those in other institutions, required for general maintenance purposes. In addition, mail bags for the Maritime provinces are repaired. Clothing is made for the mounted police in the Maritime provinces and a very extensive building programme is carried on, including enlargement of wall; building of new hospital, school room, library; new cell block; remodelling of old cell wing; fencing and clearing of farm, of which about 400 acres are already under cultivation.

Prior to 1921 organized labour was opposed in principle to prison labour even for the requirements of the federal departments. Since 1921, however, organized labour have changed their view in that respect; in their conventions and otherwise they have expressed themselves as favourable to prison work, the products of which go to meet the requirements of the government service. But let me tell the hon. member for Lisgar (Mr. Brown) that not only in this country but in the United States, where, I am told, prison labour is carried out on such a large scale, organized labour is opposed to prison labour coming into competition with free labour. It would certainly be a matter of great difficulty to apply that system in our penitentiaries. But it is not necessary to do it. I am convinced—and I think it was also the conviction of those who prepared the report of 1921—that the work in connection with the making of articles needed by the government should be sufficient to employ all the labour in the penitentiaries and to keep the inmates busy all the time. Both organized labour and such institutions as chambers of commerce have made representations in this connection. For instance, the garment manufacturers have passed strong resolutions against what they call the unfair competition to which their products are subjected by prison labour. But manufacturers as well as workmen in the United States are in favour of prison labour to meet the requirements of the states. If the articles produced by the penitentiary are not bought and used by the state in which the institution is situated, then they suggest that an agreement should be arrived at with other states whereby these articles will be purchased and used by them. If this system is accepted and applied in Canada there is no reason why some agreement could not be entered into by the provinces under which they might also acquire goods produced in the penitentiaries.

Let me indicate the classes of goods which might very easily be made in our penitentiaries and for which the penitentiaries are

well equipped. All classes of canvas goods, such as tents, tarpaulins, flies, nose-bags, water pails, packs of all descriptions, and so on.; furniture of all descriptions, in wood; all classes of galvanized iron and tin goods; clothing and the manufacture of uniforms—military, mounted police and other such; leather goods, including harness; book-binding; boots and shoes; hickory handles of all descriptions; blacksmith shop work; machine shop work; stone cutting; and broom making. I can include boots and shoes without being afraid of any adverse consequences in Quebec East, because I have been told by the manufacturers of boots and shoes there that they have never had the opportunity of working for the government.

Mr. HALBERT: Will it be permissible for members of parliament to get their supplies there?

Mr. LAPOINTE: I do not know. Perhaps they might do so by paying for them.

Mr. JACOBS: When they go to the penitentiary.

Mr. BROWN: Are any of the articles made in the penitentiaries put on the market, or are they all for the use of government departments?

Mr. LAPOINTE: None go on the market now, though that was done years ago.

Mr. BROWN: They used to make binder twine at Kingston.

Mr. LAPOINTE: The contract system—that was the name given to it—was so objectionable to labour in Canada and was the source of so many difficulties that it was abandoned. No goods which are the product of penitentiaries are at present being sold on the market.

Mr. ROSS (Kingston): Is the suggestion of the minister that these articles he names would be manufactured?

Mr. LAPOINTE: I say they could be manufactured; I do not say they will. I know there would be objection to some lines; but my hon. friend will always keep in mind that what I advocate would be the making of products for the use of the departments only, not for sale on the open market.

Mr. McQUARRIE: Would the minister be in favour of public works being done by prison labour? In some countries, for instance in South Africa, when I was over there last summer, I found that they were building a dry dock with practically all prison labour, and in the diamond mines they were using prison labour for a shilling a day, and so forth. Prison labour is used to a very great extent over there. Would the minister be in favour of the same policy being adopted in this country, and if so, would he use prison labour on public works done by the Dominion and provincial governments as well?

Mr. LAPOINTE: That is another very difficult question. I believe that if the prisoners in our penitentiaries were doing the work necessary for the production of the articles which I have mentioned, for the use of the various departments, they would be kept busy not only most of the time but all the time. The suggestion of my hon. friend might be considered, but I do not think it is necessary to consider it at the present time.

Mr. McQUARRIE: I do not wish it to be inferred that I am in favour of such a policy at all; on the contrary, I am opposed to it.

Mr. LAPOINTE: I would not like that to be inferred of me either. As far as wages are concerned, this also is a difficult question; —not the principle of it, because I do not agree with some hon. members who believe the prisoners should not get anything. Others have suggested that only the dependents of the prisoners should receive some compensation for the work done by the inmates; nor I would not agree with that. I think that the principle embodied in the resolution rather conforms with my own views in that respect; but it ought to be done as it is done in the state of New York, for instance, to which my hon. friend from Southeast Grey has referred. A sum should be deducted, first of all, representing the amount which the state expends for the upkeep of the prisoner in the penitentiary, and the proportion that might come to the prisoner would be only of the amount which would be over and above what the state had expended with regard to that particular prisoner. The amount would not have to be very large either. I heard one hon. member mention the sum of $1,000 or $1,500 which the prisoner would have on coming out of gaol. I do not think that would ever happen. In the prisons which have a system of this kind the amount of wages paid varies from 1½ cents a day to 25 cents. If you also take into consideration the fact that when a prisoner is guilty of an infraction of the bylaws of the penitentiary, the usual punishment consists in a fine, which is taken off the

money which is being kept for him, and further, that when any latitude is allowed him, smoking, for instance, and things of that kind, he has to pay for the tobacco and other articles he uses out of the money which is coming to him in the form of wages, there is no fear of any big fortune being made by an inmate of a penitentiary. On the other hand, I think that to a deserving inmate, a man who wants to make good—and there are some of them in the penitentiary—to be paid something for his labour would be a great incentive to good behaviour. Besides, it seems perhaps rather unwise to send a man out of the penitentiary after he has served a term of say six or seven or ten years with only what we are giving him at the present time—a suit of clothes and five dollars—and turning him on the street without any work. I think it would be in the interests not only of the inmate but of the community as well if a man who is deserving in other respects could have some little amount of money that would permit him to look around for other work, and to try and build a new position for himself in organized society.

Mr. McQUARRIE: Would the same policy apply to prisoners who are to be deported at the end of their sentence? For instance, the dope peddlers and people of that kind.

Mr. LAPOINTE: That would have to be considered; but to introduce discrimination in the penitentiary would be a dangerous system to adopt. I think all those who conform to the bylaws and regulations of the institution and do work properly and according to the regulations assigned to them, should be treated and dealt with in the same way.

Mr. MACLEAN (York): Has there been any increase in this allowance since the high cost of living?

Mr. LAPOINTE: Unfortunately, no.

Mr. MACLEAN (York): Now is your chance.

Mr. LAPOINTE: Yes. I see that time is passing rapidly; I have only one word more to say, and in this I am afraid I shall not meet with as much approval as my other points have met with so far. I honestly and sincerely believe that the Penitentiaries branch and its work ought to be taken away from the Civil Service Commission, just as is done in the case of the mounted police and the militia. It is not work of the usual departmental nature. I am responsible for what happens in the penitentiaries of Canada at the present time. I am responsible if there are evasions; I am responsible if there is a rebellion in a penitentiary anywhere; and I think it is not fair that the wardens and the deputy wardens, the main officers, and even the guards in the penitentiaries, should be selected under a system of competitive examination. It is absurd. I think that penitentiary work should be compared with the work of the mounted police or even of the militia. In the penitentiary the work that is to be done by the guards, and very often their lives are in jeopardy, depends for its success more on the character and the temperament of the man than on what they may happen to know about geography or arithmetic or anything else. This conviction I have formed during the year and a half in which I have been at the head of the administration of the Department of Justice. I believe in control by the Civil Service Commission when it is a case of appointments in connection with ordinary departmental work, but I do not think they are qualified to select the men to conduct the penitentiaries. In that respect the report of the commission, which was alluded to by my hon. friend from Southeast Grey, has stated that the present system is certainly defective. That report suggested that the Civil Service Commission ought not to be bound by any regulation in the selection of the men to who the work of the penitentiaries is to be entrusted; that they ought to be allowed to go out anywhere and select a person who seemed to them best qualified.

Mr. GARLAND (Bow River): Has the minister any complaints with regard to the present wardens or officials of the penitentiaries? I mean, what good argument has he against taking the appointments of these officials from the Civil Service Commission? Are the present officers not quite efficient?

Mr. LAPOINTE: I prefer not to answer that question; it is rather a delicate matter when it "comes down to brass tacks" as we say. I would rather not give any specific instances, but I should think that even the principle for which I am contending should appeal to my hon. friend—that the work in the penitentiaries is of such a special character that the appointment of qualified officials should not be entrusted to the Civil Service Commission.

Mr. ROSS (Kingston): Who selects them now? What principle governs the selection?

Mr. LAPOINTE: The Civil Service Commission makes the selection.

Mr. ROSS (Kingston): Is not this the process followed?—the recommendation is made by the warden to the Superintendent of Penitentiaries and then the Civil Service Commission makes the appointment?

Mr. LAPOINTE: No, unfortunately not. That may be the procedure in most instances but not always. I might perhaps inform my hon. friend that there is a position vacant in my department which should be filled, but has not been filled, because I have refused to accept the man whom the Civil Service Commission tried to impose on me.

Mr. ROSS (Kingston): Who recommended this man to the Civil Service Commission?

Mr. LAPOINTE: Not the chief of the branch because that officer gave me his opinion that the man selected by the commission had not the proper qualifications to do the work. The non-acceptance of this man is not due to any whim on my part in any way; it is because the officials of this branch in my department gave me their opinion that the man whom the Civil Service Commission recommended and wanted to appoint had not the qualifications for the sort of work the position demanded.

Mr. MACLEAN (York): Would the minister give a preference in filling vacancies to the mounted police?

Mr. LAPOINTE: I think I would.

Mr. SHAW: I rise to a point of order. I do so because I am interested in seeing a conclusion reached in this matter, and I cannot see what the action of the Civil Service Commission has to do with the debate on this resolution?

Mr. LAPOINTE: My hon. friend is right, but as all or most of the hon. members who spoke this afternoon took such latitude in giving their view on the general improvement of the penitentiaries I thought I could do the same thing with reference to the Civil Service Commission. I know it is a delicate subject as far as my hon. friend is concerned, but I had forgotten that fact when I touched the question. I congratulate again my hon. friend from Southeast Grey. I am sure the discussion in the House this afternoon will have a very good effect, and in order to conciliate the hon. member for West Calgary (Mr. Shaw) for my allusions to the method of making appointments I may assure him that I will vote for the resolution.

Sir HENRY DRAYTON (West York): I rise to support the resolution and to join in the general chorus of approbation which our fair member has so admirably and fully won. I want, however, to endorse one thing said by the minister, and that is that our attitude here is not at all an attitude of sentimentality; it is not a question of the sanity or insanity of the prisoner, it has to do with what ought to be the real object of these institutions—and that is to try and do something which shall make society as a whole better; and to do something with the raw material, bad as it very often is, which is put in our hands. We are all agreed that an idle life captivity is the worst thing that any man could experience. Next, a man should be kept at something which is not unproductive and barren of results. Those are the two outstanding features in connection with prison reform. If there is anything which we must do it is to see that these institutions which we maintain at great cost shall perform some useful function. That is the first duty incumbent upon us. The next thing—and I must hurry if I would conclude my remarks before six o'clock—is that if we are going to have productive work, in expecting the criminal to give society a square deal we must adopt the idea of giving a square deal to the criminal. Then, the least we can do is to look after his family. I was a crown attorney myself for years. If there is a terrible time in the life of any man it is when the time arrives for him to enter a gaol for a greater or less period, without friends, with no one to whom he can turn, feeling that as a result of his incarceration his family will be turned out into the street. That is a most depressing feeling.

Mr. MARTELL: What is complained of in connection with the resolution is that it seeks the enactment of a law which would enable a criminal to receive wages exactly as if he were competing with an honest fellow citizen outside.

Sir HENRY DRAYTON: My hon. friend is wrong in his idea that the man in gaol is going to receive the same wages as a worker outside. That is an impossible provision, it cannot be carried out. The whole idea of the resolution is to give the convict some chance at least of starting again; and I am going to ask my hon. friend to withdraw his amendment and allow the motion to go through as it is. I can assure him that there is no possible chance of any large sum being earned by the inmate of a penitentiary. Even if that were possible the poor fellow has been a long time down and out and has pretty well earned what he would receive.

There are several other points I should like to refer to but I shall not do so because I have no wish to delay this resolution. I will,

however, repeat this observation: If there is one thing more necessary than anything else it is that the man when he is discharged from the penitentiary should at least have in his possession some means to enable him to make his way in the world again.

Mr. SPEAKER: The question is on the amendment.

Mr. W. G. McQUARRIE: (New Westminster): Mr. Speaker—

An hon. MEMBER: Let us have a vote, do not bury the resolution.

Mr. McQUARRIE: As has already been stated this is an important resolution—

Mr. BROWN: Therefore we want to vote on it.

Mr. McQUARRIE: Yes?

Mr. LOGAN: You are burying it.

Mr. McQUARRIE: I want to vote on it but I want to do so in a proper way. We should not be forced to vote on a resolution of this kind without being afforded an opportunity of discussing it if we so desire. That is my point. Very well. If the debate on this resolution is not concluded to-day, it does not mean that the matter is closed. If the Minister of Justice (Mr. Lapointe) is in favour of it and will support the resolution, it is open to him—and the proper course for him to pursue—to bring in legislation as a government measure, which no doubt he will do.

Mr. LAPOINTE: We will have to convince both the government and parliament.

Sir HENRY DRAYTON: Parliament is ready.

Mr. MARTELL: Parliament is not ready.

Mr. McQUARRIE: Surely this government is strong enough, with the support of my good friends to my left to put through any measure which they consider right and proper.

Mr. LAPOINTE: I thank my hon. friend for the information.

Miss MACPHAIL: I would ask my hon. friend if he is strong enough to bear on his shoulders the weight of the responsibility for the defeat of this resolution for the purpose of hearing himself talk?

Mr. McQUARRIE: I am quite sure all hon. members have tried to be nice to the lady member for Southeast Grey (Miss Macphail) and far be it from me to say anything of an unkind nature.

[Sir Henry Drayton.]

Mr. SPEAKER: I think the remark of the hon. member for Southeast Grey is uncalled for. Every hon. member is entitled to speak and should not be interrupted, as the hon. member has just been. The hon. member is speaking on the question and is exercising his undoubted right.

Mr. McQUARRIE: I have a penitentiary in my town. I have not been in as many penitentiaries as the hon. member for Brandon (Mr. Forke) but I know something about the matter.

Mr. FORKE: I never was in one.

Mr. McQUARRIE: I apologize, but I understood my hon. friend to say he had been in all the penitentiaries in Canada. I stand corrected. I have been in the penitentiary at New Westminster and I was able to get out the same day. I have had the privilege of going through that institution, and had the privilege quite recently, shortly before I came to attend this session. I was invited by the warden to come out there and see what improvements had been made. He took me through the institution and showed me the work that had been done. I think there is enough work to keep the convicts busy for some years making improvements to the institution itself. There is a great deal of necessary work to be done.

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

Thursday, March 19, 1925

The House met at three o'clock.

ROYAL ASSENT

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

Ottawa, March 19, 1925.

Sir,—I have the honour to inform you that the Deputy of His Excellency the Governor General will proceed to the Senate chamber this afternoon at 3.15 o'clock for the purpose of giving the royal assent to certain bills.

A. F. SLADEN,
Secretary.

REPORT

Annual report of Dominion Statistician.—Hon. Mr. Low.

CRIMINAL CODE AMENDMENT

Mr. ANDREW McMASTER (Brome) moved for leave to introduce Bill No. 29 to amend the Criminal Code.

He said: Mr. Speaker, the object of this bill is to restore a wholesome safeguard which was in the Criminal Code prior to 1919 with respect to sedition. We have no definition of sedition in our code. Although we have certain purported explanations or definitions of what seditious words are, what seditious libels are, or what seditious conspiracies are; they are definitions which do not define to any great extent. But prior to 1919 there was a saving clause in the code that to attempt to change or alter the constitution by peaceful means was not sedition, and the object of the bill is merely to restore the law as it was prior to that date.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—REVENUE FREIGHT AND TONNAGE

Sir HENRY DRAYTON:

*What were the average receipts and expenses for revenue freight per freight train mile in each of the years 1923 and 1924, in the different regions of the Canadian National Railways and affiliated companies?

What are the monthly percentages of tonnage originating in the different regions of the Canadian National Railways and affiliated companies to the total traffic of the year for each of the years 1923 and 1924?

Hon. Mr. GRAHAM: Mr. Speaker, there seems to be a little difficulty in getting the information just as my hon. friend (Sir Henry Drayton) wants it in questions 4 and 10.

Sir HENRY DRAYTON: Are those the questions dealing with regions instead of provinces?

Hon. Mr. GRAHAM: Yes. If we could change them to provinces the information could be more easily furnished.

Sir HENRY DRAYTON: I desire to have the questions in the easiest possible form for my hon. friend. I will have them amended to read "provinces" instead of "regions."

Mr. SPEAKER: Questions stand as amended.

CIVIL SERVICE INVESTIGATIONS

*Mr. GARLAND (Bow River):

1. What departments, if any, have been investigated by the Board of Audit?
2. Is it the intention of the government to table the reports made on such cases?
3. If not, why not?

Hon. Mr. ROBB: Mr. Speaker, I desire to lay on the table the original answer to this question as prepared and signed by the Auditor General, who is the chairman of the audit board:

Matters reported upon to the Finance department

1. Application of the Commissioner of Taxation regarding certain salary increases.
2. Inquiry into system of cancelling redeemed securities in the Finance department.
3. Revision of salaries in the Post Office department.
4. Inquiry into the accounts of the Quebec Harbour Commission.

Inquiries which have been completed and upon which the Board of Audit will report shortly to the Department of Finance.

1. Inquiry into the acounts of the Vancouver Harbour Commission.
2. Inquiry into the accounts of the Canadian National Railways.

Work under way

1. Inquiry into the accounts of the Montreal Harbour Commission.
2. Study of general conditions in the Auditor General's office and survey of the Consolidated Revenue and Audit Act with a view to recommending amendments thereto, etc.
3. Report on the Civil Service Act as administered by the Civil Service Commission.

Data prepared by the Board of Audit.

GEO. GONTHIER,
Chairman.

MONTREAL HARBOUR COMMISSIONERS

Hon. Mr. STEVENS:

1. Was the Montreal Board of Harbour Commissioners overdrawn at any period during the past year to the extent of $1,500,000 in a charter bank of Canada? If so, under what authority was such overdraft incurred?
2. Has the said bank requested payment from the Dominion government of the said overdraft?
3. Is the government of Canada responsible for the payment of said overdraft?
4. Is it the practice of the Dominion government to permit the Harbour Commissioners of Montreal or other boards of harbour commissioners to make extensive overdrafts?

Hon. Mr. CARDIN.

1. Yes. Under an arrangement with their bankers, for which no authority exists than the general powers conferred on the commissioners as administrators of the harbour affairs, under the terms of their Act of Incorporation.

2. No.

3. The Corporation of the Harbour Commissioners of Montreal are responsible.

4. It has been the practice of all governments since the Montreal Harbour Commission was organized on present basis, in 1907, to permit overdrafts. The same policy has been followed in the cases of Quebec and Vancouver organized in 1913.

In the case of the Toronto Harbour Commission, there has been no advance to that corporation of public moneys. Such public money as has been expended there was expended directly by the Public Works department and no interest is being charged or collected.

RAILWAY REVENUE FREIGHT

Sir HENRY DRAYTON:

1. What was the total amount of revenue freight originated and loaded at stations in the different provinces on all the Canadian railways for each of the years 1923 and 1924?

2. What was the total amount of revenue freight originated and loaded at stations in the different provinces on the Canadian National Railways and affiliated companies for each of the said years 1923 and 1924?

Hon. Mr. LOW:

1.

Revenue Freight Loaded at Railway Stations in Canada
(Tons 2,000 lbs.)

	All Railways	
	1923	1924
Prince Edward Island.	95,263	112,375
Nova Scotia..	6,502,523	4,691,770
New Brunswick.. .. .	2,425,470	2,385,135
Quebec..	11,678,486	11,515,705
Ontario..	22,770,918	21,288,553
Manitoba..	4,745,136	4,828,316
Saskatchewan..	8,043,665	6,532,582
Alberta..	7,987,487	8,396,552
British Columbia.. ..	4,713,453	4,182,579
Total..	68,962,401	65,148,937

2.

Revenue Freight Loaded at Railway Stations in Canada
(Tons 2,000 lbs.)

	Canadian National Railways	
	1923	1924
Prince Edward Island.	95,263	112,375
Nova Scotia..	1,636,230	1,382,100
New Brunswick..	1,293,063	1,269,153
Quebec..	5,257,516	5,317,859
Ontario..	12,450,288	11,545,358
Manitoba..	1,990,997	1,987,318
Saskatchewan..	4,213,239	3,619,236
Alberta..	3,052,929	3,741,893
British Columbia.. ..	511,562	496,727
Total..	30,501,087	29,472,019

CANADIAN NATIONAL RAILWAYS—TRAFFIC AND EMPLOYEES

Sir HENRY DRAYTON:

1. What was the decrease expressed in tons of the traffic in the following articles or commodities carried by the Canadian National Railways in the year 1924, as compared with the year 1923: Wheat; bar, sheet and structural iron; castings, machinery and boilers; brick and artificial stone; coal; merchandise; miscellaneous?

2. What were the average number of employees of the System for the year 1923, and for the year 1924?

[Mr. Cardin.]

Hon. Mr. LOW:

1.

Revenue Freight Carried By Canadian National Railways
(Tons 2,000 lbs.)

Commodities	1923	1924	Increase	Decrease
Wheat..	5,999,453	5,231,066		768,387
Bar sheet structural iron & iron pipe. . .	709,857	425,734		284,123
Castings, machinery and boilers..	260,697	155,527		105,170
Brick and artificial stone. .	384,914	333,608		51,306
Coal - Anthracite.	3,167,071	2,634,823		532,248
Bituminous.	7,552,165	5,731,824		1,820,341
Lignite.	101,643	102,405	762	
Merchandise . .	1,612,980	1,531,832		81,148
Miscellaneous freight..	2,746,983	2,517,466		229,517

2. 1924, 88,169; 1923, 94,107; including hotels and miscellaneous operations.

BANQUE NATIONALE

Mr. DOUCET:

1. Did the Banque Nationale, from the date of its reorganization in 1922 up to its merger in 1924, send regularly to the Minister of Finance, monthly and yearly statements in compliance with the act?

2. If so, what was the state of said bank as shown by these statements?

3. If conditions seemed serious, what attitude was taken by the Minister of Finance?

4. Were suitable remonstrances made to the board of directors of said bank? If so (a) when, (b) in what manner?

5. Did the Minister of Finance verify the truth of the various statements made by the Banque Nationale from the date of its reorganization up to its merger?

6. Can he state that said statements were absolutely exact?

7. If these statements did not appear to him truthful or complete. did the Minister of Finance take action, if so, what was done?

8. Were all the required inspections made in compliance with the act, so as to ascertain the truth with reference to the condition of the Banque Nationale?

Hon. Mr. ROBB:

1. Yes.

2. Solvent.

3, 4, 5, 6, 7 and 8. From the extent to which the bank had relied upon borrowings under the Finance Act in 1921 and early months of 1922, it was apparent that the institution was in a non-liquid position. Reorganization took place in 1922. A strong directorate assumed responsibility for the bank's affairs and adopted measures under which it was hoped the situation could be worked out satisfactorily. New capital was brought in, the reserve fund written down against losses, the dividend reduced and government advances repaid.

Under these circumstances, and following the course taken by his predecessor in office, the attitude of the Minister of Finance was

that it was in the public interest that every proper facility and opportunity should be given the bank to improve its position.

The bank was absorbed by another institution on the 30th April, 1924, previous to the enactment of the provisions of the present Bank Act relative to government inspection by an Inspector-General of Banks, which came into force 1st October, 1924.

Mr. DOUCET:

1. Did the Banque Nationale pay any dividends to its shareholders from the date of its reorganization in 1922 up to the time of its merger in 1924?
2. If so, what were the dividends paid?
3. Did the government ascertain if the Banque Nationale was in a position to pay such dividends?
4. Was the Banque Nationale in a position to pay said dividends?

Hon. Mr. ROBB:

1 and 2. The bank reported dividends paid at the rate of 6 per cent per annum.

3 and 4. These inquiries relate to a period previous to the enactment of the provisions of the present Bank Act relative to government inspection by an Inspector-General of Banks which came into force October 1st, 1924.

COLONEL J. L. RALSTON

Mr. BLACK (Halifax):

1. What is the amount paid to Col. J. L. Ralston as chairman of the Royal Commission on Soldiers' Civil Re-establishment and Pensions (a) for services, (b) for travelling and other expenses?
2. Is there any balance to be paid to him, if so, what amount?

Hon. Mr. BELAND:

1. (a) $16,250; (b) $4,097.32.
2. No.

ICE CREAM STANDARDS

Mr. KENNEDY (Glengarry & Stormont):

1. Are there any federal standards in force covering ice cream?
2. If not, is it the intention of the government to establish such standards?
3. What department of the government does, or should, deal with the question of standards for ice cream?
4. Have any of the provinces established standards for ice cream?
5. If so, which provinces have done so, and what standards have been adopted?

Hon. Mr. BELAND:

1. No.
2. Yes.
3. Health.
4. Yes.
5.
   (a) Saskatchewan.
   (b) Manitoba.

(a) Standard for Saskatchewan:

Ice cream is a frozen product made from cream and sugar with or without harmless flavouring, stiffening and colouring materials, the amount of which shall be less than 2 per cent. It shall contain not less than 10 per cent of milk fat. All milk, cream and other ingredients, excepting fruits, nuts and sweets, used in the manufacture of ice cream shall, immediately before manufacture, be heated to a temperature of not less than 180 degrees Fahrenheit and held at such temperature for fifteen minutes or to a temperature of not less than 145 degrees Fahrenheit and held at such temperature for thirty minutes. All fruits used in the manufacture of ice cream shall be sound, clean and mature, and nuts shall be fresh and non-rancid.

(b) Standards for Manitoba:

Ice cream shall be the frozen product made from cream and sugar, with or without harmless flavouring and colouring materials, and with or without gelatine gum tragacanth or other harmless stiffening materials, in amount not less than two per cent and containing not less than fourteen per cent of milk fat.

(2) Fruit ice cream shall be a frozen product made similarly as ice cream, and containing sound, clean and mature fruit. It must contain not less than twelve per cent of milk fat.

(3) Nut ice cream shall be a frozen product made similarly as ice cream, and containing sound, non-rancid nuts. It must contain not less than twelve per cent of milk fat.

OCEAN SHIPPING RATES

INSTRUCTIONS TO MR. PRESTON

On the Orders of the Day:

Mr. H. A. STEWART (Leeds): I would like to ask the government, particularly the Minister of Trade and Commerce (Mr. Low), if the government will lay on the table of the House a copy of the instructions given to Mr. Preston prior to his undertaking the investigation in connection with the ocean freight rates, and referred to in the opening sentence of his report.

Hon. T. A. LOW (Minister of Trade and Commerce): I shall be very glad to bring d wn anything that there is in writing. The order in council, I believe, has been tabled; if not, I shall see that a copy of it is brought down.

Mr. STEWART (Leeds): The order in council has been brought down, I understand; I am referring to the instructions given to Mr. Preston. Would it be possible to have them brought down to-day? They cannot be very long.

Mr. LOW: If there is anything in writing I shall be very glad to have it brought down.

ROYAL CANADIAN ARTILLERY—PAY

On the Orders of the Day:

Mr. A. E. ROSS (Kingston): Mr. Speaker, I have received a letter signed "Thomas Atkins," asking me to bring to the attention of the government, and particularly of the Minister of Militia (Mr. Macdonald), a report in the Kingston press to the effect that the men of the Royal Canadian Artillery did not receive their pay last Saturday.

Hon. E. M. MACDONALD (Minister of National Defence): I did not see the report referred to, but I will make immediate inquiry.

CANADA GRAIN ACT

On the Orders of the Day:

Mr. O. R. GOULD (Assiniboia): I would like to ask the Minister of Trade and Commerce (Mr. Low) if he can advise the House of the probable date when the Grain Act or amendments thereto will be submitted.

Hon. T. A. LOW (Minister of Trade and Commerce): The bill is being prepared by Mr. Justice Turgeon, and I think it will be ready shortly.

CANADIAN NATIONAL RAILWAYS—ROUYN

On the Orders of the Day:

Sir HENRY DRAYTON (West York): Mr. Speaker, a few days ago I called the attention of the House to a newspaper article in connection with the building of a railway line to Rouyn, for the purpose of ascertaining whether or not the Canadian National were interested in the project; whether they were to lease the line, operate it, or do anything else with it; in short, whether an understanding of any kind had been entered into by them. The right hon. Prime Minister (Mr. Mackenzie King) said he would draw the matter to the attention of his evergenial colleague, the Minister of Railways and Canals (Mr. Graham), who, I am pleased to see, is now in his seat, and who can no doubt give the House the information.

[Mr. Low.]

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): The Canadian National Railway Company think it advisable that they should have a line into that very promising territory, which I think is even more promising than the public fully understand. It is in the territory of the Canadian National. I understand from the president that they have—

ROYAL ASSENT

SUSPENSION OF SITTING

A message was delivered by Colonel Ernest J. Chambers, Gentleman Usher of the Black Rod, as follows:

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

Accordingly, the House went up to the Senate.

And having returned,

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

Bill No. 28, for granting to His Majesty certain sums of money for the public service for the fiscal year ending March 31, 1926.

CANADIAN NATIONAL RAILWAYS—ROUYN

On the Orders of the Day:

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, in completing my reply to the question asked by the hon. member for West York, the Canadian National Railway Company, believing it to be desirable to have a line from their main line into the very rich territory spoken of in the question, have suggested to capitalists that if they would build a branch line between two points to be named by the Canadian National, one of them being Rouyn, the company would be prepared to lease that line for a number of years, provided it were constructed properly and at a reasonable price, on terms to be arrived at between the company constructing the line and the Canadian National Railway Company. In that lease I presume there would be a provision that the Canadian National Railway Company could within a term of years purchase the line if they so desired.

Sir HENRY DRAYTON: Would my hon. friend be good enough to tell us if the government has approved of that arrangement?

Mr. GRAHAM: Not by order in council, but the government has practically approved of the suggestion.

Mr. MEIGHEN: When will parliament have a chance to pass on this matter? I understand the government believes strongly in parliamentary government.

Mr. GRAHAM: That is true, and parliament will have every facility to discuss anything that comes within the purview of parliament with reference to this line; but the Canadian National Railway Company, under the statute, passed I think by my right hon. friend has the right to lease properties with the consent of the Governor in Council.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): After the urgent appeals of Canon Scott and other disinterested citizens, is it possible the government has decided to do anything to relieve the situation in Cape Breton?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I noticed in this morning's paper the reply which Premier Armstrong had sent to Canon Scott, in which he said, if I recollect it aright, that the facts apparently had not been properly represented to Canon Scott, and that the government of Nova Scotia had matters in hand. I took Premier Armstrong's reply to Canon Scott to be a most emphatic statement to the effect that the government of Nova Scotia wished to deal with the situation without any interference by any other government.

TORONTO TERMINALS RAILWAY

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved the third reading of Bill No. 23, respecting the Toronto Terminals Railway Company.

Motion agreed to and bill read the third time and passed.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION FOR RATIFICATION DISCUSSED

The House resumed, from March 17, the adjourned debate on the motion of Hon. T. A. Low (Minister of Trade and Commerce) to ratify and confirm a contract between His Majesty and Sir William Petersen providing for the establishment of a subsidized steamship line on the Atlantic, and government control of certain ocean rates, and the proposed amendment thereto of Mr. Clark.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, the motion under debate reads as follows:

> That to give the government of Canada control over certain ocean rates it is expedient to ratify and confirm the agreement between His Majesty and Sir William Petersen, K.C.B.E., as set out in the schedule to this resolution, and dated the eleventh day of December, one thousand nine hundred and twenty-four, and that in view of the provisions of said agreement giving the government control over such rates and of the services to be performed thereunder, the Governor in Council may authorize payment out of the consolidated revenue fund, to the said Sir William Petersen, K.C.B.E., of an annual amount of two hundred and seventy-five thousand pounds in the manner and for the period provided for in the said agreement.

Then follows the specific agreement. I read this so that the House, after being carried far over the waters of controversy, may get some glimpse of the port towards which we are sailing. I think it is important that we know what is before the House in its exact terms.

One would think from much of the debate that has preceded, and he would certainly think from the speech of the Prime Minister, that the motion before the House was to appoint a committee to inquire into the north Atlantic combine, and if possible, devise some method whereby the freight rates of that combine could be controlled. The House has been told that a desire to control is all the principle we are voting for; and those who favour control are told that the only thing to do is to support the resolution. Of course, those who are opposed to control and who like high rates are informed that they will be quite logical in opposing the resolution. If a government is to instruct the House—and if its word is to be the last on the subject—as to what principle it wishes to attach to a motion, then parliament might just as well become an appendage, a mere servile register of the administration's will. I think it is better for us to assume that we ourselves can read, and that we can understand the English language; and when we are asked to ratify a contract, common sense dictates to me that the principle which we are asked to affirm is the principle of that contract. If a government, on the introduction of any resolution or bill can say, "The principle of this resolution, this bill, is merely the public welfare, and those who support the public welfare must support this measure"—if a government can take such an attitude, then of course parliament will never have any question before it at all. An object to be gained is not necessarily a principle, it certainly is not a policy; a policy is the method proposed to reach the object. Now, it is true that a

government measure, merely because it passes in the form of a resolution or in the form of a second reading, need not finally pass unamended in detail; nor has anyone ever so contended. But every self-respecting government does insist that a government measure shall pass only with such amendments as do not vitally affect the measure itself. And when a government informs the House that it is not at all particular about its proposal, that all it wants is some way of reaching the goal, and that if the House will suggest some other method it will be gladly followed, then the government simply abdicates its duties, surrenders all its functions, and becomes nothing more nor less than surplusage in parliament.

The motion before us, is such that this argument applies with double force. The resolution preceding the bill asks us to affirm that it is expedient to ratify an agreement already entered into, signed and sealed, by the administration. The records of parliament will be searched in vain to disclose any case in which any government in our history, or in the history of the British parliament or of any dominion, ever suggested that an agreement signed and sealed by themselves, an agreement into which they had entered as fair between themselves and the other party, was subject to anything at the hands of parliament save acceptance or rejection. Indeed, this was the stand first taken by the Prime Minister; and in answer to, or rather in interruption of several speakers, he declared that what parliament had before it was the duty of deciding whether to reject or to approve of the contract which the resolution embodies. In so speaking he followed every precedent. But, as the difficulties of the situation loomed up, as the clouds gathered round his government, as he looked across at the gloomy faces of hon. gentlemen to my left, he proceeded by a slow curve to alter his position. He altered it first to the extent of saying that the agreement must pass; or, if the House considered that it could be amended, the government would take the amendments to Sir William Petersen and see whether he would agree to them. In the first place, this is not a very dignified attitude for any government to assume. Every citizen having made a contract feels that he should live up to it to the extent of his power. Having agreed that the terms of the contract are fair and reasonable, he does not like to submit to the humiliation of going back to the contractee and asking for a change. Well, what is true of a citizen in that regard should be far truer of a government. But this government, having declared its belief that the terms of the contract before us are fair and reasonable, is prepared to go back to Sir William Petersen and to say, "A committee of the House does not like this contract, so we are ready to kneel at your feet and beg of you to change its terms". This does not define fully the position which the Prime Minister took. He said further that if Sir William Petersen refused to consent to any change in the contract then it would be for the government to stand or fall by the agreement as it is. But again, the altered attitude did not seem to appeal to hon. gentlemen whose votes he was seeking very eagerly. The hon. member for Red Deer (Mr. Speakman) following of course the statements of the Prime Minister, made it clear that he would not consider the government acting in good faith unless the committee was free to devise some plan of control without subsidies at all—a wholly different plan or principle from that embodied in the contract. And the Prime Minister then declared that all that anyone would be voting for who voted for the contract was the "principle" that he desired ocean rates to be controlled, adding that if the committee favoured some other method and suggested it, it would be for the government to come back to parliament and, as best it could, give expression by a new measure to what it believed to be the will of parliament. In a word, the Prime Minister has declared that the government is prepared to change its policy, to the left or to the right, provided it can save its precious existence.

At times when a resolution is proposed, the House, if the case is unimportant, frequently lets the resolution pass, reserving decision on the principle for the second reading of the bill. But when the resolution is challenged by amendment then the government's policy as embodied in that resolution is at stake; and from that fate no government can escape. And that is the position which the government is in at the present time. I read the motion in order to bring to hon. gentlemen an understanding of what is meant, and I close this phase of the subject by asking this question: If the principle of government control by subsidies, in accordance with the terms of this contract if indeed this contract itself is not now before us for decision, when is it going to be, or when can it ever be? I submit that question this moment to every member of the government, sitting in front. Will it be on the first reading of the bill? Will it be on the second reading? And let us remember that the second reading is the last prior to

the committee stage, prior to the establishment of the select committee. When the second reading of the bill is before the House the Prime Minister can say exactly the same thing: "Oh, all that you are voting for is to have a special committee, and you will be given a chance to devise policies to suit yourselves." He can say that with just the same force and effect as he says it now. In other words, if the position which the Prime Minister takes is to be accepted by the House, then the House can never decide at all on the merits of this contract, or of the definite policy it proposes.

Now, it is well to inquire just what the real situation is with which we are confronted. The Prime Minister spent a considerable portion of his address in reciting conditions and circumstances which, I think, all of us know to exist; and it will contribute to definiteness in this discussion, as well as to clearness of thinking, if we can proceed to agree on what appeared to be conclusions from a large portion of his speech.

We can agree in the first place that there is a North Atlantic Steamship Conference—or combine if you wish to call it such. Nobody has ever disputed it that I have heard. We can agree that such conference or combine fixes rates on the goods its members transport. I do not know of anyone who disputes that; its officers did not dispute it before the committee presided over by the hon. member for Brome (Mr. McMaster).

Mr. McMASTER: I think it only fair to state that the officers of the lines denied that there was a conference, and the fact was only brought out with considerable difficulty.

Mr. MEIGHEN: It will be left for the hon. gentleman to establish what he says. I have read the report and I did not read that statement. I do not think any hon. member of this House doubts for a minute that a conference exists to-day and has existed for many years, and that the rates on the commodities are fixed by conference, with one or two or three exceptions. The argument has convinced me that the grain rate is not fixed by the conference. There may be an extent to which flour and cattle rates were fixed by it or possibly are to-day,—that matter may be left in dispute, it is not material for the moment,—but that rates are fixed generally there is no dispute. It may be taken for granted also that rates have been very materially advanced since pre-war days, and that the advance in those rates has had the effect of making difficult the export of goods; that it would be much better for Canadian industries if the rates were lower; and that possibly we would have some other Canadian industries if there were no rates at all. It can be taken for granted, as well, that repeated complaints have been made against those rates, back for six or eight years past,—yes, for longer than that,—and that those complaints are still kept up. All these things we acknowledge; it need not have taken three hours of declamation to establish them. I think we can agree further still, that the element of competition, to some degree is eliminated in respect of water-borne traffic. I do not think it is eliminated at all to the extent that it is eliminated in land transport, nor does any hon. member of this House think so. It is impossible in the present evolution of the industry to eliminate competition, save to a limited degree.

Yet, while we agree on all these things, we do not get very far towards enlightenment on the merits of this resolution; but once we agree on these things we dispose of at least three hours of the speech of the hon. Prime Minister (Mr. Mackenzie King). Now I state that there is not the same competition as in earlier days on the water. I make this further affirmation for whatever hon. gentlemen accept it as worth—that when the ocean steamship business develops to the extent that regular liners are established, then it is essential that there be something in the nature of conference and fixing of rates for those lines. I wonder if there is any member of this House who really believes that in evolution of the ocean steamship business to the extent that regular sailings are established, just as regular despatch of trains is established on land, it is possible to continue, save by some system of conference and uniformity of rates. I do not think the Prime Minister would say so. In a portion of his speech, towards the end, he clearly indicated the contrary. It cannot be done. If you do not have some such system, you are going to have each reaching out after the big fellow's traffic, giving rebates and advantages to obtain it—this is in evidence;—and thereby discriminations are produced which are far more serious than any discriminations complained of in this debate. The little fellow as a shipper will be virtually eliminated. This uniformity of rates established for the liner ensures to all equal treatment, to all shipments from all quarters no

4 p.m.

matter whether those shipments be large or small. Further, when we have the line transport system established, as stated in the report of the American government commission, experience has proven that there is no middle road between peace and war, and the big liner company has such advantage over the smaller that the crushing out process is sure to be successful, with the consequent establishment of a monopoly, not only in rates but in service. The element of competition even in service is gone forever. These things follow if there is no conference system; and consequently the conference system is not necessarily an evil in itself.

I do not argue from all this that as the shipping business grows and as the system evolves and these conferences become essential with the incident fixing of rates which is the main purpose of the conference, I do not argue that such thing can go on indefinitely with no superimposed control. I believe that the principle is unsound, that you can leave control solely in a conference; for while to do so is less dangerous than to suffer the absence of higher control on land—for the reason that on land competition in rates is absolutely impossible—on sea there is some competition, some very substantial competition, because of the presence of a very vast number of tramps—still sea transport should be controlled. These tramps according to the finding of the hon. member for West York (Sir Henry Drayton) in 1913, are not a great factor in competition in respect of goods which must have the liner service, which for the sake of regularity are practically dependent on the liner; but in respect of a great vast array of commodities the tramp competition is effective. Consequently we have not so soon arrived at the stage in the world's affairs when there is some supervision of ocean transport rates, the stage we have reached in respect of land transport rates. I admitted a moment ago that we had had in late years very material increases in ocean rates. The Prime Minister read at great length letters from shippers showing in respect of certain commodities rather startling percentages of increase. I do not doubt that some large percentages do obtain, but I might point out to the Prime Minister that his mathematics in some cases are out. But this is aside from the point. The only way in which we can establish what the advance has been is by such a computation as takes all rates into account; the selecting of isolated rates on tooth picks or clothes pins, on some little commodity such as those and working it out to a percentage leads to no conclusion. You ask me what does a computation of the whole field of commodities show? I had produced to me just a few minutes ago a schedule prepared from the Index of Shipping Freights. This is the official index accepted I believe everywhere as authoritative on this question. The schedule takes the average of rates, 1898 to 1913, as the basis. That average is stated to be 100. Then it gives the percentage of increases, year by year, first of all, in European waters; second in the North American area; third, in South America; fourth, in India; fifth, in the Far East and the Pacific, and sixth, in Australia. Lastly, the general average is given. I am going to read the figures for the North American area, which start at 100, the average between 1898 and 1913, a period of fifteen years:

1898 to 1913..	100
1913..	113.09
February, 1920..	529.89

This, of course, is the war period.

December, 1920..	277.17
December, 1921..	164.07
December, 1922..	135.15
December, 1923..	132.72
July, 1924..	121.87
August, 1924..	128.10
September, 1914..	138.94
October, 1924..	143.09
November, 1924..	137.32
December, 1924..	129.18
January, 1925..	134.60
February, 1925..	146.54

Thus indicating that the percentage now existing in February, even in the month when much of the tonnage is off, I understand, in the winter for repairs, over the average for fifteen years which ended in 1913, is 46.54 per cent. The percentage is, therefore, less than the figures quoted by the Prime Minister (Mr. Mackenzie King) as obtaining in relation to land transportation. The complete table is as follows:

Ocean Shipping Rates

Basis Date	European Waters	North America	South America	India	Far East and Pacific	Australia	Total
(Average, 1898-1913)..	100	100	100	100	100	100	100
Average, 1913..	110.03	113.09	123.37	106.29	117.38	127.89	116.34
February, 1920..	814.31	529.89	757.52	744.81	587.02	712.16	690.95
December, 1920..	268.90	277.17	244.10	256.79	286.72	347.18	280.14
December, 1921..	160.06	164.07	163.72	144.43	141.25	166.47	156.67
December, 1922..	137.09	135.15	129.19	122.61	136.08	159.34	136.57
December, 1923..	134.03	132.72	120.09	124.35	125.07	144.21	130.08
July, 1924..	123.66	121.87	121.91	120.13	144.69	121.98	120.70
August, 1924..	120.45	128.10	119.94	118.97	113.31	128.19	121.49
September 1924..	117.90	138.94	123.20	124.93	122.19	144.22	128.56
October, 1924..	118.80	143.09	125.96	126.59	135.47	156.67	134.43
November, 1924..	115.01	137.32	120.31	120.50	131.95	162.02	131.18
December, 1924..	117.44	129.18	119.45	119.76	129.29	161.13	129.38
January, 1925..	115.26	134.60	120.38	123.33	132.44	172.70	133.20
February, 1925	114.92	146.54	118.04	121.95	129.99	178.04	134.91

Mr. MACKENZIE KING: By whom was the table compiled?

Mr. MEIGHEN: It is the Index of Shipping Freights and it appears in an article in the Economist of a very recent date. The table is completed to March, 1925. No doubt the figures are compiled year by year, as the years have proceeded, by officers of what is called, I think, the Shipping Freights' Association. I do not know how anything more authoritative can be obtained. If hon. members can produce anything more authoritative than this, covering the whole of shipping commodities of all kinds, I would be glad to submit to that higher authority.

Mr. GOOD: Are the averages weighted averages or merely averages of rates?

Mr. MEIGHEN: They are averages of rates. I do not know what is meant by weighted averages. They are averages of the business actually carried.

Mr. GOOD: What is meant by weighted averages is the average that takes into account the relative importance and quantity of the commodity carried.

Mr. MEIGHEN: I would presume it would take that into account. I would not think it would be of much value if it did not. I want to read as well just one other article of evidence.

Mr. ROBB: In the rates quoted by the right hon. member, is any distinction made between Canadian ports and American ports?

Mr. MEIGHEN: The north Atlantic is treated as one. I do not contend that this shows any absence of discrimination as between Montreal and New York. But as the Acting Minister of Finance has raised the point, I quote from the same journal of February 28 of this year the following words:

The fact is that the rates eastward are the same for all north Atlantic ports from Baltimore to Montreal, although insurance rates for ships entering Montreal are higher than for ships using American ports.

This, of course, refers only to eastbound traffic.

Mr. ROBB: And this year.

Mr. MEIGHEN: I do not know as to that. I have not read the context and I am not speaking positively whether it does or not.

The other article of evidence which I want to put on Hansard is this. The Minister of Trade and Commerce (Mr. Low) gave a statement of cargo which this new Petersen ship was capable of carrying. He stated it to be an average cargo and he had worked out the earnings of the ship according to that statement of cargo. The earnings he showed to be $35,159.44. The earnings in respect of each commodity are given separately and the rate charged is given. Those were the earnings if cattle were not included. If cattle were carried also, the earnings would be £9,469-8-10. The firm of Price, Waterhouse and Company have taken that same cargo and applied to its several commodities the rates which prevailed in 1913. This I give on the authority of Price, Waterhouse and Company and I place their signature on Hansard because it is on the original. The earnings of this same cargo in 1913 would have been $26,158.19, cattle excepted, and if cattle were carried, £6,079-12-5. That is to say, the earnings in 1924 were 40.25 per cent over the earnings on the same commodities in 1913, if cattle were not carried, and if cattle were carried, the earnings were 55.75 per cent higher. I will place the whole table on Hansard including the certificate of Price, Waterhouse and Company.

[The following is the table supplied:

EARNINGS FROM A "PETERSEN" STEAMER VOYAGE IN THE SEASON 1924 (AS PUBLISHED IN "HANSARD" PAGE 723) COMPARED WITH EARNINGS BASED UPON THE AVERAGE FREIGHT RATES FOR 1913 FROM MONTREAL TO LONDON

—	Weight — Tons	Measurement	1924 Season		1913 Season	
			Rate	Earnings	Rate	Earnings
				$ cts.		$ cts.
25 loads grain	5,350	250,000	3/- qr	17,250 00	2/7½ qr.	15,750,00
bags flour	1,000	56,000	19½c. 100 lbs.	4,368 00	17c. 100 lbs.	3,808 00
boxes provisions	300	18,000	47c. "	3,158 40	24½c. "	1,646 40
boxes cheese	100	7,000	67c. "	1,500 80	32·15 "	720 16
200 stds. deals	500	44,000	70/- std.	3,220 00	47/6 std.	2,280 00
canned goods	30	1,950	47c. 100 lbs.	315 84	16·88c. 100 lbs.	113 43
pulp board	50	3,500	53c. "	593 60	17·09c. "	191 40
lard	100	6,500	47c. "	1,052 80	24½c. "	548 80
sundries	50	10,000	37c. M	3,700 00	11c. M	1,100 00
			at 4.60 per £1	35,159 44	at 4.80 per £1	26,158 19
				£7,643 7 1		£5,449 12 5
Add: 420 head of cattle (No cattle carried in 1913; the rate taken for 1913 is based on that of 1912 season).	.....	.....	$20 per head	1,826 1 9	$7.20 per head	630 0 0
				£9,469 8 10		£6,079 12 5

On the basis of the above figures the earnings for the Season 1924 show the following percentages of increase over the earnings of the 1913 season—

Without cattle.....40·25 per cent
With cattle.....55·75 per cent

We have examined the freight Contract Records and Manifests of the Cunard and Canadian Pacific Steamship Lines covering the 1913 Season, Montreal to London, and we certify that the averaged rates for that Season which are used above have been taken therefrom and that the calculations of the earnings for the 1913 Season have been correctly made.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

Montreal, March 9, 1925.

One would have thought that evidence of this kind, which agrees very closely and accurately with the tables produced in the Economist are surely of more value than a plethora of miscellaneous letters which have been written at various times, mostly long ago, by different persons in the country about matters, the actual facts as to which may never have been investigated and the circumstances respecting which are now unknown. I stated a moment ago that as the conference system develops—and it has developed to a very considerable degree—it seems reasonable and essential that there be developed with it a supervising authority, an authority competent to control the disposition of the power now vested in the conference. It does not seem reasonable to my mind that an authority which does not represent all the people should be competent to dispose of the world's water freight, and I say that without any allegation that there has been discrimination or wrongdoing or extortion of any kind in respect of such disposition; but the principle seems wrong that there should go on uncontrolled an authority over these very vital matters in the hands of those whose interests are not in every way the interests of the whole people.

But when we get to that point, is not the next thing we have to decide, what necessarily must be the composition, what necessarily must be the status of any body that is to have a chance in the world to exercise anything in the nature of control? Surely any single country has not such right—and because it has not the right it never can succeed in an attempt to exercise it. I ask hon. gentlemen to reflect, has Canada alone the right to control rates in and out between this country and Great Britain? If we have such a right, has not Great Britain the same right? And how can both of us have the right to separate control? Now I pause for a reply from any hon. gentleman in this House. Have we the right to control rates between here and Australia, or to dictate to Australia what shall be charged on goods shipped from that Dominion to Canada? Have

[Mr. Meighen.]

we the right to say to Great Britain, "On the goods sent by your citizens to this country only such and such shall be the freight rates and we are going to dictate those rates right here in the Capital of Canada?" Let us reverse the position; let us suppose that Great Britain had proposed that its government would control the rates on our wheat shipped from the shores of Canada to the British market, can any hon. gentleman imagine to himself the speech that the Prime Minister of this country would deliver in this House? Can anybody conceive the compaign which would be launched in this Dominion against "Downing street domination?" Well, if Great Britain has not that right, how then can we assert the right to control rates between here and that country? In a word, we are asserting something which inherently we do not and cannot possess, and even if we had some wise method established to exercise such right, the wisest you could get, our attempt would be bound to end in failure.

Now, what kind of a board, what is the smallest circumference or power a board must possess which could even attempt to handle this situation? I venture to suggest to the House, and it is embodied in our amendment as an affirmation, that you cannot do so with any body of narrower compass than a body on which are representatives of the whole empire. Even the Prime Minister in a portion of his address said it could not be effectively done until you had a body representative of all nations of the world. Well, possibly to a degree that is true. But the shipping of this whole empire is of so vast a magnitude that it cannot be boycotted, and the people of this whole empire have among themselves the inherent right, if they choose to exercise it, to control the shipping between the various ports of the empire. Therefore the first step of any consequence at all that is not bound to end in disaster and collapse is to establish some such body on which the whole empire is represented. Every effort should be persisted in to bring this about. I do not say that when this is done it will be the last step in the development of a system of control, there may be one beyond, but that step has a chance, a good chance, of succeeding in so far at least as traffic is concerned between the various ports of the British Empire.

Hon. gentlemen opposite who entered into this agreement very hastily,—and some of whom I do the compliment to say are exceedingly sorry—tell us, "Oh we cannot get any body in which the whole empire is represented to take this matter in hand so we have got to splurge ahead and do something, no matter what it is, in order to attract attention, in order to stir our cousins up and have them see this thing has got to be attended to." Well, what have been the attempts? According to the Minister of Railways (Mr. Graham), the first was started in 1910. He got a memorandum from Mr. Justice Mabee, then head of the railway commission. He forwarded that memorandum to the British government, and the British government made a reply. Now, I have the highest opinion of the late Mr. Justice Mabee, but I must express the fear that I cannot be lost in admiration of his memorandum. It proceeds on the hypothesis that ocean transport is as susceptible of control by one country as is land transportation within that country itself; it proceeds on the hypothesis that competition is just as surely gone from ocean transport as from land. Both of these hypotheses are manifestly and obviously false. I do not need to go further. The memorandum says also that in a few years—it was written in 1910—England would be importing 600,000,000 or 800,000,000 bushels of our wheat. Well, as to-day, fifteen years after, there are only about 43,000,000 people in Great Britain, and all they could possibly consume would be 280,000,000 bushels, I am at a loss to know what they would do with the other 400,000,000 bushels. In a word, the memorandum is not very thoroughly compiled. It was forwarded to Great Britain with an expression of hope that some central body representative of the empire would be created to take charge of this transport difficulty.

Evidently the Canadian government of the time forgot that the whole question had just been investigated by a commission on which the government itself had been represented, and that commission's finding was that control on the water, as compared with control on the land, was impracticable, that there were very, very great difficulties to be confronted which did not appear on land at all, and that especially a control which necessarily, if it operated, would put British shipping at a disadvantage with continental shipping was something which would not redound to the benefit of any part of the Empire. These things were pointed out by the British government. Well, they seem to me very sensible. I wonder how they appeal to other members of this House. Do not the representations made by the British government in its reply sound sane and just and right. There were undoubtedly further difficulties to be overcome, and the British government suggested that the matter be still further investigated with a view to seeing if

something could not be evolved to take care at least of the danger of discriminations. The Canadian government stopped right there. The Minister of Railways says the reason they stopped was that he knew when he was turned down, and anyway they knew the facts and needed no investigation. This was back in 1910 and such is the reason he gave the House for having gone no further. Well, if they knew the facts in 1910, why did they start to find them out again in 1923 and again in 1924? They started two investigations in the last two years.

The next step of importance taken—I am passing by the various inquiries at the hands of the British government—was an inquiry by the present hon. member for West York (Sir Henry Drayton). He made an inquiry from the standpoint of Canada and returned with a report which, put in brief, was this: that he did not believe the principle of private control under the conference system could be allowed to continue undisturbed; that there should be some higher control; that otherwise, the conference would have power at its own will, to do injustice and injury to individual concerns. While he did not allege it had done so, he did not believe it was in principle right that the power should be solely vested there, and he suggested a tribunal which was to seek to evolve a plan. He mentioned that the Dominions Royal Commission then sitting was the proper body. This royal commission evidently took the matter in hand, and reported against the principle of private control and in favour of some system of united control on the part of the various parts of the empire. The war was on. Through the period of the war shipping was under the British government. In 1918 the representatives of Canada brought this matter forcibly to the attention of that government. The British government acquiesced to the extent of appointing what is known as the Imperial Shipping committee on which all portions of the empire are represented and to which certain definite powers were given. These did not include powers specifically to fix rates; those were withheld; but the committee was invited to investigate and report on all matters concerning discriminations, harbour facilities, and generally the betterment of communications between the various portions of the empire. Canada was not satisfied. Sir Robert Borden in the spring of 1919 prepared a memorandum in which he strongly urged that the powers of the shipping board be amplified and that Canada continue in its effort—and he invited the support of the other dominions as well—to have vested in this Imperial Shipping Board a power of control. This was subsequently submitted to me, when I was Prime Minister, in a letter from Sir George Perley. Sir George Perley had been our representative on the Imperial Shipping Board. Considerable good work was done by that board. He found, however, that he was not possessed adequately of the information necessary in order to bring home to the commission the duty of reporting itself in favour of being given these powers, and he asked us to consider the wisdom of having someone specially delegated to present the case of Canada, in favour of the amplification of the duties of the Imperial Shipping Board. The government of the day decided that Dr. Magill of Winnipeg was capable to do that work. Dr. Magill, however, declined. The letter in which he declined is not before us, but there was such a letter. This was during the session of 1921. At the close of the session I went to England, and immediately on my return a general election was called. Six months, or almost that, intervened between the reply of Sir George Perley and the calling of the general election. The session of parliament and Imperial conference were on and progress was not made.

The next step was the appointment of the committee under the charge of the hon. member for Brome (Mr. McMaster). This committee, however, was not appointed to investigate ocean freight rates at all; the reference to the committee contained no suggestion of such investigation. The reference was general, to look into the question of agricultural conditions. I make no complaint that the committee saw fit to give some attention to this subject; I am very glad it did. The committee made several reports, and now we are told that the government bases the policy it submits to parliament upon the report of that committee. Well, one would never dream so, if he reads the report itself. The report found that there was a combine and that the combine controlled rates. Does the Prime Minister say that is the basis of his policy?

Mr. MACKENZIE KING: Genesis was the word I used.

Mr. MEIGHEN: The genesis of it? Well, the Prime Minister also said that the government's policy was wholly irrespective of whether there is a combine or not. He said his policy had no relation to the combine, that it did not matter whether there is a combine or no combine; that his is the right policy anyway. And he said it was based on the report of a committee whose only finding in this respect was that there is a combine.

Does he say now that the committee recommended any action of this kind? In so far as there is any indication in its report of the course to be pursued, that course is directly contrary to the one the government has taken. Here is what the committee recommended. It is found at page xxi of the Journals of the House for 1923:

Your committee, in view of the foregoing and of the evidence adduced before them and referred to in a previous interim report, are of the opinion that action is desirable to control shipping rings or conferences.

What action?

It is suggested that the Canadian representatives in attendance at the next meeting of the International Institute of Agriculture should be given authority to see that the matter is thoroughly discussed, in order to discover whether an international system of control is feasible through such agency.

I wonder if there is any family resemblance between that suggestion, which at least shows that the committee had some enlightened understanding of the problem, and that which is embodied in this resolution? Then the report goes on:

In view of the fact that a very great deal of the shipping coming to Canadian ports is British shipping, concurrent action by the British authorities is respectfully suggested.

One would think that what occurred to the mind of the hon. member for Brome and his committee would have occurred to the mind of this government, but not a move was even attempted, to get British co-operation or concurrence. I quote further:

The matter might well be made a subject for discussion and consideration at the next Imperial Economic conference.

There end the suggestions of the committee.

Mr. McMASTER: Oh, no.

Mr. MEIGHEN: Well, I mean as to the line of policy to be pursued. What was the other one?

Mr. McMASTER: A little further on—several paragraphs.

Mr. MEIGHEN: Where is it? I hope that any further suggestions they made are not contradictory to those I have read?

Mr. McMASTER: No, no.

Mr. MEIGHEN: If they are in line with those I have read I do not see what the purpose of the interruption was. That is what the committee recommended. Even the committee did not feel that to discuss the problem intelligently and to get to anything in the way of an expeditious and wise conclusion the facts were still well enough under command; and they recommended this:

In view of the important and widespread information collected during the sittings of your committee and the impossibility of digesting and properly weighing the evidence in the time at their disposal before prorogation, your committee respectfully recommend that a similar committee be appointed at an early period of the next session of parliament.

This recommendation, I would presume, has reference to other subjects under review by the committee, just as it has to this one. These three recommendations which the committee made the government has flouted, and they come to this House and say they base their policy upon the committee's report! This idea is a lately generated one of basing the government's policy upon the committee's report.

Mr. Preston has been referred to in this debate. The government seemed very sensitive as to the reputation of Mr. Preston, but no member of this side of the House has ever so reflected on that gentleman as has the Prime Minister himself. In March of 1924 Mr. Preston is sent over to investigate and report on this problem. That is the commission given him by the order in council. It is all the order in council says, except to specify his pay, which I venture to think was the most important part of the whole enterprise. After sending Mr. Preston over in March, 1924, to investigate and report, this government came to a policy without waiting for his report at all. The Prime Minister stands now and says that it does not matter at all what is in Mr. Preston's report; that he is not basing his policy on Preston's report in any way at all; he is basing his policy on the report of the McMaster committee, which recommended movement and action in directly the opposite way.

Now what is this government policy? It is embodied in a contract which we are asked to ratify. I am going to analyze this contract, not in any technical spirit; I am going to try and reveal to the House just what the effect of the contract is. I know the Prime Minister says: Well, it does not matter what is there; the government is going to do so and so, anyway. Mr. Speaker, there are a class of people in everyday life who, when they make a contract, do what they like irrespective of it, but I do not think parliament should accept with placidity the declaration of a Prime Minister that he is going to follow in those footsteps.

In the first place, though I do not consider this of major importance, the covenant of Sir William Petersen, that the terms, such as they are, on his part of this contract, will be carried out, is a covenant which Sir William Petersen can set fire to just as soon as the contract is implemented by this parliament.

By the way, one would think this government was entitled to some superior benediction, because, forsooth, it did not make a contract except "subject to the ratification of parliament." "We made it in this case," the Prime Minister says, "very clear to Sir William Petersen that the contract could not take effect till parliament ratified it. That is the course we pursued." Well, there was no other course on earth he could pursue. The government had absolutely no power to make a contract save subject to the will of parliament. No contract ever was made—not previously authorized by parliament—except subject to the ratification of parliament. When Sir Wilfrid Laurier in 1898 brought down the Yukon railway contract, he brought it down subject to the ratification of parliament. When in 1903 he brought down the Grand Trunk Pacific contract, it was signed and sealed, and he brought it down subject to the ratification of parliament. When in 1918 the government of the day brought down the bill for taking over the Grand Trunk railway, embodying a contract, it also was subject to the ratification of parliament. All must be; the Prime Minister had no option; there was nothing else he could do. But there is this difference: In every one of those cases the government of the day, under Sir Wilfrid Laurier, and under Sir Robert Borden, took the full responsibility for their contract. They declared to parliament: This contract embodies terms which in our judgment are fair; those terms were signed and sealed; parliament can reject the contract if it will, but if it rejects that contract it rejects the government. Sir Wilfrid Laurier and Sir Robert Borden, and the present Prime Minister each of them said: "The contract is here for approval or disapproval; it cannot be trimmed." But Sir Wilfrid Laurier and Sir Robert Borden each stood by his assertion, stood by it in the face of opposition, stood up manfully and accepted his responsibility, and staked his government on the issue. But the Prime Minister in this administration wriggled and wiggled around and tried to read what he calls a principle into the resolution. He says to hon. gentlemen: If you do not like the resolution, amend it. If you do not like the contract, amend it, and we will go to Sir William Petersen and fall at his feet and ask him to accept your will. But if you won't have anything to do with it at all, throw it out, and give us something else. In a word, go on, do anything you like, **but save our precious** lives.

Now I come to the contract. Sir William Petersen, immediately he forms his company, has the government bound to accept that company. Whether it is a mere watered stock company, whether it is a mere cipher without financial responsibility, it does not matter. The government has no security at all, and no lawyer of Mr. Lafleur's standing ever in his life signed his name to a statement that Sir William Petersen has not power to release himself from every covenant by the formation of a company and the substitution of that company for himself.

I do not need to read all the introductory paragraphs. I fancy they are the intellectual harvest of the government, rather than of Mr. Lafleur. I have seen documents that eminent counsel have drawn, but I never saw any other of them preceded by a lot of political fanfare such as constitutes the best portion of this contract.

The covenants on the part of Sir William Petersen are as follows. He covenants, first of all, that he shall, either by himself or by this company:

> Build, equip, provide, establish and during this contract, continue and in the manner hereinafter mentioned, operate a regular shipping service between such ports in Great Britain or Ireland or the continent of Europe, and Canadian ports as may be designated by the Minister of Trade and Commerce for Canada or his representatives from time to time.

Will hon. members see the limitations of that covenant? He must build, equip, provide, establish and during the contract continue in the manner hereinafter mentioned to operate a regular shipping service between ports in Canada and Great Britain or the continent to be designated by the Minister of Trade and Commerce. That covenant, of course, he must keep.

Then by (b) he must:

> Establish and continue and maintain and operate as hereinafter set out the shipping service hereinbefore referred to free from the control of and independent of the Atlantic shipping combine or conference or any other combine or conference now in existence or which may be operated or established upon the Atlantic ocean at any time in the future without the sanction of the government of Canada.

First, he must build, equip and operate a regular shipping service, and the government can fix the ports; second, he must keep out of the Atlantic Steamship conference. Those are the two covenants.

The next is—it is not in very good English, but that does not matter very much:

> (c) That such service shall be put in effect and maintained with ten ships as hereinbefore referred to and these shall be built and placed in operation with all possible despatch and shall be fully completed and put in service within eighteen months from the date of this agreement (at least two of the same to be placed in service by August 1, 1925) and pending completion of the same, other ships of modern construction properly equipped and of approximately the same tonnage—

Mark that.

—shall be substituted and operated in the said service until the fleet in question is completely constructed and in operation, the said service to commence with at least six ships not later than June 15, 1925.

That is to say, Sir William Petersen in the execution of his covenant shall have in operation by June 15, six ships of about the same tonnage as those described at the close of the agreement, and he shall have two of the new ones not later than August 1, 1925. It will be observed that the ships which he may substitute do not need to be of the speed or of any of the characteristics of those provided for in the contract; they need only to be of about the same tonnage. The next covenant is this:

(d) That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix such transportation rates on all commodities from time to time.

Let me consider this paragraph for a moment —and I do so with the open invitation to any member of the House who disagrees with me to say so. Let me discuss what is the alpha and omega, the beginning and the end, of that covenant. It gives the government of Canada the right to fix the rates on any and all commodities. Of that there is no question. But what is its meaning? The government, in respect of any commodity—and "commodity" has a distinct meaning—can say to Sir William Petersen that the rate shall be so much on his vessels. This the government can do, and no more. Under that covenant the government cannot compel Sir William Petersen to carry the commodity at the rate fixed. He may fill his ship with other commodities whose rates are fixed to his liking. The Minister of National Defence (Mr. Macdonald, Pictou) takes refuge in a smile. I invite him to dispute that position.

Mr. MACDONALD (Pictou): I will dispute it when you get through; it is ridiculous.

Mr. MEIGHEN: That will be safer than to dispute it now. It is quite true that if Sir William Petersen carries the commodity he cannot charge any higher rate than the government may fix. So much is certain. Now, the Prime Minister says, "We will fix the rates only on Canadian goods." Of course, if the rates are fixed on American goods then the American seller will get the benefit of our subsidies; we should then have been generous enough to bonus the American shipper by making it possible for him to get more for his product: and when the Prime Minister was faced with that horn of dilemma he escaped by declaring that the government would fix rates only on Canadian commodities. Evidently what he has in mind is that Canadian wheat is one commodity and American wheat another. But I ask hon. gentlemen to my left, is that true? Is not wheat a single commodity? Is not barley a single commodity? Is not oats a single commodity? Is Ontario wheat one commodity and Quebec or Manitoba wheat another? And can the government fix one rate for Ontario wheat and another for the Manitoba product? It cannot. It names the commodity and fixes the rate, and that done, the government's power is exhausted. I should like to know whether the Prime Minister or the Minister of National Defence disputes my contention. They cannot.

The Prime Minister did say that the government would fix the rates only as regards Canadian commodities. Well, let me for the sake of argument accept that position; suppose he is right. What then? The horn of the dilemma which he is on now is worse than the other. Let me illustrate. The Prime Minister says to Sir William Petersen that the rate on Canadian wheat shall be 6 cents, let us say. We will say that the general rate on American wheat is 9 cents. Will any one suggest that Sir William Petersen cannot take the American wheat? If the Prime Minister attempted to reduce the rate on American wheat to the Canadian level, Sir William Petersen of course would be as well paid if he took the Canadian wheat. But the Prime Minister says he will not do such a thing as fix a rate in American wheat. But if the rate is fixed only on the Canadian product, Sir William Petersen is absolutely free to fill his ship with American wheat.

Mr. MACKENZIE KING: I hope my right hon. friend will not feel that, because I am silent while he makes these overtures, I agree with what he says. I want him to have the fullest latitude to make his case as strong as he can, and that is my only reason for not replying to these absurd views.

Mr. MEIGHEN: I suppose I cannot assume that, in view of—

Mr. McMASTER: Silence does not necessarily imply consent.

Mr. MEIGHEN: But silence in the case of the Prime Minister, who is never slow in interrupting, does imply that he has great difficulty in answering.

Mr. MACKENZIE KING: Well, let me make it clear that such is not the case, for I

differ utterly from my right hon. friend in regard to the representations he is making, which are inaccurate and absurd.

Mr. MEIGHEN: That is always the answer of the controversialist who cannot give any reason for his position. I say that Sir William Petersen certainly must carry out every covenant of his contract. But what are those covenants? The covenants are these—that he will build, equip and operate a regular service; if he does not do that he cannot sue the government for a single dollar; that he shall not get into the north Atlantic combine; and, as well, that he must have in operation certain ships at certain dates. These are the covenants and these alone, and when he fulfils them he can demand his money from this government. Now, I am speaking in the presence of at least sixty or seventy lawyers, none of whom has been overgifted with shyness in the past. I want to know whether any lawyer in the House will contest that position.

Mr. McMASTER: I think the leader of the opposition must have overlooked sub-section (e):

Make proper provision for the carriage of perishable and partly perishable produce by means of cold storage facilities.

If Sir William Petersen is to fit his ship in such a way as to carry that sort of produce how can he fill the vessel with American goods?

Mr. MEIGHEN: I am fair in assuming that the best lawyer in the House has made the best reply he can. Certainly Sir William Petersen must fit his ship to carry perishable or semi-perishable produce. But I want to ask the hon. member for Brome (Mr. McMaster): Is not Sir William Petersen absolutely free, if he desires, to operate this portion empty, or, if he does not like that, to fill it with American goods?

Mr. McMASTER: Not if he expects the subsidy.

Mr. MEIGHEN: What binds him in the contract to distinguish between American and Canadian goods? What binds him to carry Canadian goods at all? There is not a syllable in the contract which compels him to do so. In other words, Sir William Petersen has the whole thing under his hands. I venture to suggest that the Minister of National Defence cannot bring me the written opinion of Mr. Lefleur, or of any other reputable lawyer, that Sir William Petersen is prevented or estopped under this contract from carrying American goods as freely as he likes and as freely as he may carry Canadian produce. The rate on wheat to American shippers is, say, 9 cents. He may say to the American, "I will carry your produce for 8 cents." And he carries the American wheat at a rate one cent below the average level. What does that mean? It means that the American wheat is carried lower on the strength of a subsidy paid by this government out of the treasury of Canada.

It has been already argued in this debate that Sir William Petersen does not bind himself to establish any fixed number of sailings. Those are left with himself entirely. They must be "regular." Such is his convenant and no more. Once they start out they must proceed with despatch. I presume they would do so anyway, because there is no money in loitering on the water. But that is his covenant and no more. He can establish, so far as his contract goes one sailing a year and then he has absolutely fulfilled the contract. Or he could establish two sailings a year or one a month. Let us assume that this government fixes rates which are low, say ten dollars a head on cattle, and Sir William Petersen provides a sailing or two or perhaps three or a dozen sailings a year, and the less the number of sailings he runs the less will be his loss, Petersen will get $1,300,000 a year from the government and be entitled to every dollar of it. The interest charge on six million dollars is only about three hundred thousand dollars a year, and therefore he would have a million to the good, and as long as the government cannot force him to operate a service enough to bring his losses over a million, he will be entitled to everything he can save.

Mr. JACOBS: Would that be the spirit of the contract?

Mr. MEIGHEN: That is distinctly the spirit of the contract. It should not have been put that way. I admit that. When the hon. member for George Etienne Cartier (Mr. Jacobs) draws a contract he does not leave it to the other fellow to fix the terms and therefore the spirit to suit himself.

Mr. JACOBS: I have forgotten how to draw a contract since I have been in parliament.

Mr. MEIGHEN: So has the government. This contract cannot be attributed to Mr. Lafleur. The business of the lawyer is to draft what his client desires. The government's duty was to dictate the terms to Mr. Lafleur; it was for him so to draft the contract as to safeguard what the government

said should be safeguarded. The government cannot hide behind the skirts of Mr. Lafleur. The hon. member says that my statement is not in accord with the spirit of the contract; but, I have found this in the history of Canadian politics, that when a party starts to talk about the spirit as distinguished from the letter he is pretty nearly the "chart" stage.

Mr. MACKENZIE KING: Will my hon. friend accept what Sir William Petersen says as to the spirit and letter of the contract?

Mr. MEIGHEN: Not at all. Of course I will not. That is the hole the government is in and it should not try to pull me in too. The government is in the hands of Sir William Petersen. I hope I am able to read English and understand it myself. The hon. member says that the spirit has to be looked to. That is quite true, but the spirit grows out of the letter. When we get to this fine distinction of the spirit and the letter, just look out for the next turn in the road, when the Prime Minister will say: "The contract is really only a chart by which I am to guide myself. Its exact terms do not matter. I have declared to the House what the government intends to do, and no matter what the contract says it is my word that is going to go." The course the Prime Minister pursues now parallels to a degree his conduct with respect to the platform of his party in 1919, and hon. gentlemen can expect just the same end of the road—just the same reversal, the same farce. If any hon. gentleman can suggest that any further covenant that Sir William Petersen enters into modifies in any degree the proposition I have advanced, I would feel indebted to him if he would make his suggestion now. These are his covenants and these only, and these he must keep and when he keeps these covenants he gives all the service he promised. Then when he gives this service the government must pay or be in the position of repudiating its own engagement.

5 p.m.

The Prime Minister devoted considerable of his time to showing that the rates for immigrants had been raised greatly, and so they have. The immigration policy of this government, whatever the last edition of it is, is having a terrible time according to the Prime Minister because of these fearful rates the ocean steamships are charging for immigrants. Now I make the statement that under this contract the government does not make provision for carrying one single immigrant. Sir William Petersen is not bound under the contract, and need never be bound, to carry an immigrant in the next ten years—not one. It is true the contract says that Sir William Petersen and the government may later on agree to establish passenger service, but if they may agree, they also may not agree, and Sir William Petersen before he agrees will fix the terms he considers he wants, and if the government does not come to these terms there is no contract. On this I challenge contradiction from anyone. Ships for passenger service may be agreed to be provided, but if so Canada of course will have to pay the price.

I proceed to another phase of the discussion, and with this I think I will be through. I set out by arguing that the government of Canada by controlling rates on any small fleet of ships cannot meet with any real success in establishing control of rates generally. They cannot in the first place because inherently they have not the right to such single control. The other country cannot be asked to submit. It is true the government may contribute to rates, it may pay some of the rates out of the treasury. This is just what the present government is undertaking—this and nothing more. But if the government thought it worth while to control the rates on a certain number of boats, I ask, why did they not use the ships they already own? We have had various reasons given. In the course of the debate, during the speech of the hon. member for Vancouver Centre (Mr. Stevens) the Prime Minister said the ships of the Canadian Government Merchant Marine were no good. The Minister of Agriculture (Mr. Motherwell), whose closely reasoned, profound, statesmanlike speech I am sure the House will long remember, has made some statements on this subject. The Prime Minister did not confine his assertion simply to the interruption in the speech of the hon. member for Vancouver Centre. Repeatedly he followed that course, and he was disturbed in his serenity only by the Minister of Railways (Mr. Graham) who took an entirely different line, and claimed that the reason they could not use the merchant marine was that those merchant marine ships were rendering too great a service now. He said that the services they were rendering Canada on various trade routes were such that the government could not afford to take them off. This was the line of argument adopted by the hon. Minister of Railways, and let me do him the honour of saying—but perhaps he would not consider it a compliment to get any word of commendation from me—that circumscribed as he was, he made at least the most skilful attempt to evade this issue of any hon. member on his side.

Mr. GRAHAM: If that be true, I have a great imitator.

Mr. MEIGHEN: The minister has an imitator but I do not know that I would call him great. He is sitting quite near him—

Mr. GRAHAM: He is sitting opposite.

Mr. MEIGHEN: —but he was not half as skilful as was the Minister of Railways and Canals. The hon. member (Mr. Jacobs) said—and this will warrant, maybe, a diversion for the moment—that the mercantile marine was losing $9,000,000. The question of the wisdom of building the merchant marine does not come into this debate. I am not going to discuss the merits of its construction; I am prepared to leave that question just where the Minister of Railways and Canals left it and just where the Prime Minister left it after his change of faith. But I must interpolate this: The merchant marine, in 1920, made an operating profit of $1,400,000. In 1921, it made a profit of $781,000. The profit in 1920 paid interest on cost, even the war costs under which the ships had to be built. The profit in 1921 paid two and one-third per cent only. In 1922, there was a loss of $2,300,000; in 1923, a loss of $1,800,000 on operation. We have not yet had the report for 1924. The sum of $9,000,000 includes, of course, interest on cost which has to be taken into account, and depreciation. I only want to make clear the significance of the interruption of the hon. member for George Etienne Cartier (Mr. Jacobs).

I was about to arrive at the pregnant utterances of the Minister of Agriculture (Mr. Motherwell) who stated, as reported in the Manitoba Free Press of August 11:

> The using of the Canadian mercantile marine boats at cheaper rates is not practicable, because the five boats fitted up for cattle carrying are not big enough for cattle export trade of any volume. In fact the five boats together only equal one good-sized cattle carrier.

Does he contend that he is building good-sized cattle carriers now? He is building boats just the size of the mercantile marine.

Mr. MOTHERWELL: Larger.

Mr. MEIGHEN: Smaller than two of them, slightly larger, but only by a negligible per cent, than twenty-four of them. The minister says that because of their size they cannot carry cattle successfully. But he says further that they had been built too big for the lakes and too small for the ocean, and he came along with this drivel in a speech in this House since. These vessels of the merchant marine, according to him, could not be used because they are too big for our lakes and too small for the ocean. If the House will refer to a return brought down by the Minister of Railways and Canals on the second of this month, there will be found a schedule of the entire merchant marine vessels. In that schedule it will be found that the twenty-six ships are of a tonnage of 8,300 and over. The corresponding tonnage of the Petersen vessels is 9,000. It will be found that two out of these twenty-six vessels are 10,687 tons and 10,682 tons, and two more are over 9,000 tons. I ask the House to remember that twenty-six are above 8,300 tons. Of the remainder, thirty are from 3,341 to 5,000 tons odd. Only one is below 3,300 tons and that is the Canadian Sapper whose dead weight is 2,781 tons. These are the vessels which the Minister of Agriculture, with what I must describe as flippant fiction, declared were too small for the ocean and too big for the lakes. I hold in my hand a list of vessels which this year have traded into the port of Montreal, traded to European ports, traded even to South African ports, and sixty-seven of them are under 3,100 tons. There are boats as low as 1,149 tons trading to Meandros, Greece; boats as low as 1,290 tons trading to Copenhagen; boats as low as 1,966 tons trading to Copenhagen; boats as low as 1,096 tons trading to Antwerp. Our boats, all but one, or to be exact, fifty-six in all, are over 3,300 tons. The Minister of Agriculture, who wants to decry the property of Canada, who wants to find an excuse, for not taking the obvious course of lowering and controlling rates on their own vessels, if the government wants to control by themselves at all, declares to the people of Canada, on his authority as a minister, that boats of 8,300 tons and up are too small for ocean traffic!

What is the nature of these boats which the Prime Minister says are no good? He says they are not fit for north Atlantic traffic. In 1923, twelve of them plied the north Atlantic all year, according to the report of the mercantile marine presented by this government, between Canada and British and European ports. In 1922, eleven of them did the same thing and at least eleven of them did so last year. These boats which hon. gentlemen tell us are no good, which the Minister of Agriculture says are too small for the ocean, which we are told are not fit for the north Atlantic traffic, are doing service on the north Atlantic right along, and indeed are doing such good service that the Minister of Railways and Canals declares that in the public interest he cannot take them off. There have been repeated attempts on the part of

hon. gentlemen opposite,—and from this I want to absolve the Minister of Railways and Canals, as I never heard him uttering nonsense of this kind—to decry the character, type, design and construction of our ships. I hold in my hand some certificates which I have taken the trouble to obtain. The first one that I will read is from Mr. Isles, one of the superintendent stevedores of Montreal, one of the most competent and respected, as I am sure those who know him will admit, in the whole service. Mr. Isles' statement is the most moderate of any that I have received and I will read it first:

After going over the specifications covering the ships which are to be built under the Petersen contract, I find these ships are about the same type of ship as the SS. Glentworth, which loaded here last fall. Her T/Deck capacity was 131,966 cubic feet, lower holds, 425,831 cubic feet.

This ship lifted a cargo of 8,456 tons grain equal 39,458 quarters. Only her lower holds were full with a very small margin—probably 200 tons—in the 'tweendecks, otherwise the 'tweendecks were empty.

Comparing the larger ships of the Canadian Government Merchant Marine such as the Canadian Constructor and the Canadian Crusier, 4,413 net registered tons each, they are about the same size as the Petersen ships.

The Canadian Seigneur, the Canadian Pioneer and the Canadian Ranger are smaller boats, but as they would probably be easier to stow and as they carry their cargo both in lower holds and 'tweendecks they are more adapted for the Montreal trade.

Their speed is slightly better than that of the Petersen ships.

I draw this to the attention of the hon. member for Lunenburg (Mr. Duff), who has found terrible fault with the speed of the Canadian Government Merchant Marine.

They will do their work better, as from personal experience in loading the Canadian Mariner, Canadian Seigneur, Canadian Ranger, and Canadian Challenger, it is found that these ships were easily worked and just as suitable as any ships that I have handled, their cargo gear being up-to-date, with hatches of suitable size for economical working.

The proposed corrugation or "blister" on the side of the Petersen boats will, I think, cause trouble in docking and undocking as it will be liable to hit the quay wall causing leaky rivets, which will be a menace and source of danger to the cargo.

This class of steamer is still in the experimental stage, and why should we subsidize experiments?

Yours truly,

DAVID ISLES.

Superintendent Stevedore.

In a subsequent note he says:

The specifications on page 28 of the proposed Petersen steamers are, in our opinion, those of the cheapest class of cargo steamer, which would not compare with either Cairnross, Cairnmona, Cairnvalona, Cairntorr, Cairnavon, Cairngowan, or Cairndhu.

All of these ships have powerful fan extractors in every hold, have an average sea speed of 12 knots, and are now being fitted with refrigerator chambers; have powerful wireless installation, direction finders, and every aid to navigation.

Then he says further:

We find nothing in the specifications to provide safe carriage for perishable and partly perishable cargoes.

In the specifications which come at the end of the contract there is nothing at all to provide safe carriage for these cargoes. He adds:

In fact shippers to-day, who demand, and have got by the steamship companies, fan ventilation and refrigerated chambers, would not ship on a steamer built to these specifications.

Emigrant traffic. Neither accommodation nor provision for it. If it is not provided for at building it would never be satisfactory, and would cost ten times as much to add it.

Speed about 11 knots is useless on the Atlantic for this traffic.

The next communication I read is from Mr. Capper, marine superintendent of the Cunard line. He says:

I am of the opinion that these vessels of the Canadian Government Merchant Marine are a very good type, and equal to any other good cargo vessel on the service at present. As regards the running and working of the vessels, the records of the past two years show they are well manned and handled.

Mr. MACDONALD (Pictou): What particular vessels does that refer to?

Mr. MEIGHEN: To the Canadian Government Merchant Marine vessels in general.

Mr. MACDONALD (Pictou): Oh, no.

Mr. MEIGHEN: It refers to all those going in and out of Montreal, because he is a marine superintendent there and knows what he is talking about. The Canadian Government Merchant Marine boats run in and out of Montreal not only across the Atlantic, but to Newfoundland and the West Indies. It would refer certainly to all vessels of the 8,000-ton type, and I presume to many others of the 5,000 and 3,500-ton type. Now I read this letter from Mr. Welch. He built a number of the Canadian Government Merchant Marine boats, and is a practical marine engineer. He says:

I have examined the abbreviated specification of the proposed vessels for William Petersen and knowing the Canadian Government Merchant Marine boats of similar tonnage, I have no hesitation in saying that the latter boats have everything in their favour, both as regards cargo capacity and speed.

Yours truly,

A. WELCH.
M.I.N.A. London,
M.I.E.S. Scotland,
M.I.E.C. Canada.

I add to that this letter which has come to me from Mr. P. L. Miller, naval architect, and a member of the Institute of Naval Architects, England, and of the Society of Naval Architects of the United States. Writing under date of March 4, he says:

I have been reading with interest the reports from day to day in the press regarding suggested subsidy to Sir William Petersen to provide and operate ten cargo steamers on the north Atlantic trade under subsidy from the Dominion government, and I have had an opportunity of reading the contract and specifications attached thereto.

My object in writing to you is to repudiate what is implied, namely, that the cargo vessels constructed during the past few years at the expense of the Dominion government are inadequate to meet the conditions indicated by Mr. Preston. It is true that as the science of naval architecture and engineering develops, cheaper methods of propulsion will be found and are being experimented on to-day. Is there any justification for ignoring a whole fleet of first-class vessels in order to replace them by ten new vessels of very similar specifications?

On a study of the specifications I see corrugated sides mentioned. These are not by any means accepted universally as fundamentally sound. Furthermore, I think it will be generally acknowledged that ship owners would expect to operate a new ship for not less than ten years.

All the vessels of the Canadian Government Merchant Marine, Limited, have been built since the year 1917. They have been built under the same rigid inspection of Lloyd's Register of British Corporation as have been vessels in the Old Country, which is the same specification called for in Sir William Petersen's contract, and on the average are equal to any of the vessels turned out in the same period in Great Britain.

One must also remember that many of the existing vessels of the Canadian Government Merchant Marine, Limited, are already fitted with refrigerated holds; also, practically all are well fitted for the conveyance of grain, so it is difficult to see what advantage will accrue in the substitution of the Petersen ships for the trade required.

He might have added, "except for Mr. Petersen."

How anyone can admit or justify ignoring such a fleet in order to have a new fleet constructed is beyond the comprehension of any ordinary citizen, let alone one who knows the details of the business.

I sincerely trust that you will in some way be able to stop the exploitation in Canada of additional expenditure on a fleet of cargo vessels which, in my opinion, is not required.

Now I finish with this communication, signed by the head of the Robert Reford Company, certainly no great friends of the Canadian Government Merchant Marine, with whom the government merchant marine competes,

The Canadian Government Merchant Marine is at present operating fifty-seven steamers in various trades. Twenty-six of these ships have a dead weight capacity of 8,000 tons and over. Vessels of these measurements are generally agreed to be the most suitable for the Atlantic trade, and the greater number of the cargo liners coming to the port of Montreal are of about this size. These twenty-six ships of the Canadian Government Merchant Marine can indisputably be reckoned as among the best engaged in the Canadian trade.

In addition the Canadian Government Merchant Marine owns eight boats of about 5,000 tons dead weight capacity. While these are perhaps not so useful on the regular berth, there is a constant demand for such tonnage to and from Canadian ports on chartering terms.

There remain twenty-three steamers owned by the Canadian Government Merchant Marine of under 5,000 tons dead weight capacity. It has been maintained that such ships are too small for Canadian service, but from the attached list it will be seen that, apart from the Canadian Government Merchant Marine vessels, sixty-seven of such ships entered Canadian ports last year.

So far only the Atlantic trade has been mentioned, but it is quite possible for the Canadian Government Merchant Marine to employ the last-mentioned type of ship in the Great Lakes, inter-coastal or West Indian trades, where ships of small tonnage are specially called for.

R. W. REFORD.

These communications I submit as a reply to the uncorroborated assertions of hon. members of this government that the Canadian Government Merchant Marine boats are not fit for the Atlantic trade. Every one of these letters indicates they are the equal, and most of them state positively that they are superior to the ships the government contemplates building. They are undoubtedly faster. "Now," says the Minister of Railways, "all we want to declare by this attempt is the principle of control. We are ready to pay $13,000,000, just to establish the principle of control." Well, why does he not establish the principle of control over the Canadian Government Merchant Marine? Is not, in fact, the principle of control established now? Does the Minister of Railways subscribe to the opinion that the merchant marine is under the management of somebody else, and that the government cannot possibly recover its control? If the merchant marine under the management of the board which is operating it to-day, a board appointed by this government, is tied hand and foot and compelled to charge these exorbitant rates, why does not the government take the merchant marine from under that control? They can do so by order in council. Those eleven or twelve ships which are running now over the north Atlantic the government by order in council can in an hour's time take under its own control and fix the rates on every one of them; and what is more, can bind the captain and all concerned to carry goods at the rates fixed. Control as a principle is already established and only waits to be exercised if the government wishes to do so. Why pay $13,000,000 for the establishment of a principle which already is firmly and definitely established—if this control be called a principle? It is really no principle at all. It is merely an objective, and that objective the minister can reach in five minutes by passing an order in council. Does he say that to run the ships out-and-out and fix the charges does not establish the principle of control, but that if we pay $13,000,000 to another man's company to do so, this is the perfection of the principle of control? Sure-

ly the minister would not argue nonsense of that kind. Why then does he ask this House to vote this money for the establishment of a principle which he knows he can establish and give effect to merely by the passing of an order in council without a dollar of cost? So I say that if this government wants to reduce rates, if it believes in all these allegations that rates are exorbitant; that they are determined by a heartless corporation, a combine which sweats and strangles the industries of this country, why does it not take immediate control of its own ships and reduce the rates on fifty-seven instead of ten, thereby getting at least five times the results that it can possibly get by this expenditure, and without the payment of a dollar by way of subsidy?

This government, which pretends to pay such deference to the report of the committee of the hon. member for Brome (Mr. McMaster) took two years to follow the main recommendation of that report to take our ships out of the combine. Now the Prime Minister says that just a few days ago they took them out and the reason they did not take them out sooner was they were afraid the combine would crush them; the combine would boycott the merchant marine vessels and they would therefore lose more money. Well, I do not say this by way of disputing what the Prime Minister said, but I do say it by way of expressing my own belief: They may be taken out in the sense that they are not obliged to follow the combine rates, but I do venture the assertion that they are following the rates just the same to this very hour. But why did the government take two years to decide upon this step?—if indeed it is any real step at all. Why? The Prime Minister says, because we were afraid the combine would crush us. But, he tells us, Sir William Petersen is made of sterner stuff. Sir William Petersen is not afraid of the combine. Why, has he not a dock, or two docks, or some more docks, over in England? Has he not business interests there? Well, I suppose he has. I know he has four ships of about 4,000 tons which he runs somewhere down around the African coast. But the government of Canada has some business interests too. This country has some influence in the world which I think ought to compare with the influence and power of Sir William Petersen. The government of Canada operates 24,000 miles of railway. Their ships are under the command of the same directorate as the railways. The government of Canada has a thousand times the influence in respect of traffic abroad than Sir William Petersen can possibly have. The flag of this country floats in every bay and every ocean of the world, carried by the steamships of this country. This Dominion has infinitely more business pressure at its command than Sir William Petersen or five hundred Sir William Petersens can ever hope to possess. But the government says, "We are afraid of the combine; they would come upon us with their big guns and would crush us down and out, and that is why we could not take the merchant marine from its clutches. We could not stand the battle; but Sir William Petersen —he is ready to fight it out,—and he has a good chance of victory because, forsooth, he has four ships running down the coast of Africa. This is not any worse than the answers given by the Prime Minister to questions put by others. I address hon. gentlemen to my left: was one question propounded by any of them answered by the Prime Minister? Not one. One hon. member rose and said: If these rates are so exorbitant why is it that the merchant marine which charges them is losing money instead of making money? That hon. member, I think, was the hon. member for Brandon (Mr. Forke) but I notice he appears in Hansard now merely as "an hon. member."

*Mr. FORKE: They do not know me in the House.

Mr. MEIGHEN: Apparently they did not know him. What was the Prime Minister's answer? The answer was this: that he supposed it was on account of the differential against Canada that the rates were so high; they were stifling business and the boats could not get traffic. So the reason the merchant marine does not make money at the high rates of the combine is because it is charging higher rates into our ports—because the rates to Canadian ports, he says, are higher than to the American. This is the reason he says the merchant marine does not pay—and the merchant marine is owned by the government which complains against the extortion. This government stands here and confesses that for three years it has kept a merchant marine under a directorate which is holding rates so high that the trade of Canada is being strangled, that our manufacturers are being stifled, that our western cattle trade is being smothered. The same merchant marine is also, he says, killing itself because its rates are so high it cannot get the business. Is that not a magnificent way to manage the merchant marine of this country? That is precisely what the Prime Minister has proclaimed.

*(An hon. Member. See p. 1248.)

Then, the Prime Minister made special reference to the cattle business. One would think from one portion of his address that the ships were to carry cattle all the time, but if they devoted all their time to carrying cattle they could not possibly carry more than half the cattle shipped. You cannot pile all the cattle over into the British market all at once. This subsidy, distributed over the cattle business, would mean a cost of about $60 a head—that is, over all this one line could carry. What an economical way to develop the Canadian cattle trade! Then, we are told that our own ships are not fit for the carrying of cattle. Our twenty-six ships can be fitted for cattle just the same as any other ships. As a matter of fact the directorate have already fitted out not less than five; at least four are running, fitted for the cattle trade, and they are carrying cattle at $20 a head. The government say, "Oh, this is doing harm to Canada, we cannot stand such a rate." The government goes to Sir William Petersen, and I just picture to myself the spectacle which was presented. Am I putting the matter one whit different from its true perspective? The Prime Minister, or say the Minister of Trade and Commerce, goes to Sir William Petersen and says: "There are our ships, we are charging $20 a head on cattle. We and our fellow pirates are strangling the western cattle trade. We are throttling the Ontario cattle trade. A member of parliament gets up and says we are blood-suckers. The Lethbridge Board of Trade is up in arms. We will give you, Sir William Petersen, $13,000,000 if you will come into business and force us to reduce the rate on cattle." Will even the member for Brome suggest that that is not precisely the bargain which the Minister of Trade and Commerce now submits to this parliament for ratification? I have a certificate in my hand to show that these boats can be fitted up to carry cattle, of equal capacity with the Petersen boats which are to be built.

Has anyone answered this question in the debate: Who is to be the arbiter to decide which of the cattle shippers, which of the grain shippers, which of the clothes-pin shippers, which of the dairy shippers—which of all these are going to get special favours at the expense of the people of Canada? This argument would apply to merchant marine management on a low rate basis just the same as to Petersen's ships—this is precisely why we did not run the merchant marine on a scale differing from the other scales in and out of Atlantic ports. We would then have had to select special shippers in Canada and give them special favours at the expense of the country.

We would only have been contributing out of the treasury of Canada for the benefit of special individuals. But that is just what this government proposes to do, and besides for every dollar it gives the favoured individual, it gives Sir William Petersen two; that is the only difference. Who is to stand on the dock in Montreal and say to the shipper from one elevator. "We will give you the special low rate on wheat to-day, and say to the shipper from another: You will have to hire one of these other boats that are in the combine." Has this country any right to distinguish as between shippers? This country cannot possibly operate the government's plan without doing so; there is no way in which it can be done. Either this government or Sir William Petersen himself will be the bestower of the favours. Is the government prepared to hand over to a man not even a citizen of Canada the right to select pets in this Dominion, and give to these pets special rates across the Atlantic? This whole thing is built on a fallacy; it is unsound from the first word to the last, and I cannot help but think that the government's only hope is to find for it a secluded cemetery at the hands of this committee. Parliament is continually being told: If you like this thing, applaud it, but if you do not like it, refer it to a committee. Such is the government's move every time when its proposals, ill-digested, come before parliament for adoption.

Hon. members, those of us who have been in the House some time, can remember that it is not many years since the chief article of faith of hon. gentlemen opposite was that the money of this country had to be spent in Canada, that no money voted by this parliament should go to help build up the shipbuilding or other industry in another land. When the government of the day in 1912-1913 proposed the construction of three ships of war of the highest scientific type ever known, by way of assistance to Great Britain under the shadow of the German menace, hon. gentlemen opposite fought it for days and weeks and months, and the chief article of opposition was that our $30,000,000 was going to be spent in shipyards overseas, and not to help build up the shipbuilding industry in this Dominion. The government of the day felt that as we had never built anything of this type before, and as in our belief the menace was near, the only effective way was to get them built as fast as we could. We could not have established the necessary docks and all the other facilities in time. But hon. gentlemen opposite were willing to risk everything just to get those ships built in Canada. When

later in 1918 we came to the programme of constructing merchant ships in this Dominion, we took care that every one of them was built in Canadian yards, because the ships were of far simpler construction.

These ships Sir William Petersen is going to build are ships the like of which have been built in this Dominion before. They are vessels which can be built nearly as expeditiously in this country as in any other, perhaps not quite so cheaply, but better pay something more to give work to the unemployed in this country than send our money somewhere else in order to give work to the unemployed over there. The Prime Minister says: Oh, this money is not going to build ships at all; Sir William Petersen is going to provide the money to build these ships. Yes, in a way that is true, but Sir William Petersen provides the money on the faith of these subsidies. These subsidies out of the treasury of Canada are the security on which he gets his money. The money of this country in effect is to be spent in the shipyards of the old land or of Germany or somewhere over there, and according to the Minister of Agriculture (Mr. Motherwell) the contracts are already let. The money of this country is to be spent at a time when we have tens and hundreds of thousands of unemployed, to build ships in other lands. For this purpose the government will bestow on Sir William Petersen and a company which undoubtedly will register the ships overseas, $13,000,000 out of the overstocked treasury of the Dominion of Canada.

On every count there has been failure to review, failure to consider the circumstances, failure to delve to the heart of the difficulty. There has been nothing but a hasty, ill-considered, reckless plunge; and the government hope, I suppose, because of its mere recklessness, because of the spectacular character of this legislation; that in some way they are going to attract attention to the question, and finally drift to a solution. The Prime Minister says you cannot get any arrangement for supervision as called for in the amendment. Then before he is through with his speech he says: Just let us take this plunge into the Petersen contract; just let us get beside Mr. Preston with his pebble and help him throw it into the Atlantic. In that way we will rouse the dry bones of New Zealand. We will waken Australia, and bring England to her senses, and they will all come and gather round us, and we will be able to find some sort of board or institute, which will control rates on the water. Does the Prime Minister really believe that? Do you get any further in the solution of a question by starting with a false step? If hon. members feel they do, then they ought to vote for this contract.

I go back to 1903. Did we advance the solution of the railway problem in Canada by hastily plunging into the madness of the Transcontinental? Did we? Did not we rather deter the solution? Did not we rather intensify the difficulty of the problem for a period of at least half a century?

Did we in 1922 hasten the solution of the wheat marketing problem in the west by the gold-brick legislation of that year? Did not we as a matter of fact—and I appeal to hon. gentlemen to my left—did not we really defer the solution of that problem, which now is under way, for one year, if not two? That was precisely the effect.

Did we in 1923 advance the solution of the question of high freight rates on the Great Lakes by the legislation of the Minister of Trade and Commerce of that day? Will hon. gentlemen suggest for one minute that we did? We brought in some legislation—and in that too Mr. Preston was the moving spirit from the beginning, the same man who has wound his maladorous trail through our politics for a quarter of a century—we plunged into a piece of legislation which resulted only in this, a cost of at least $3,800,000 to our western farmers in freight rates over what the American farmer was paying who enjoyed American boats. Such was the result, at the expense of the Canadian farmer. But it was not the only result. Another result was that we forced this country to the position of bending its knee to the American boat owner, and begging him to come back into our trade and violate our law. We got nothing in the wake of that hasty legislation, save a loss of millions to our farmers and a bitter humiliation to our country.

But the government says: Take this step; plunge right in, and if you cannot say anything else for us, please say that we are courageous. The Minister of Railways admits himself they are courageous. Well if courage consists in ill-considered and precipitated legislation, then the government undoubtedly is deserving of that meed of praise. Or if courage consists in prodigality with other people's money, then the members of this administration will leave a memory which will outlive the name of Joan of Arc. Courage, forsooth, to dip into the treasury of this country in a mad expenditure of $13,000,000 to do something we can do without a dollar of this expenditure at all! This contract is to be blessed by parliament, and we are expected to vote for its ratification because, if the government in proposing it have

no other virtue, they have the virtue of courage!

No; you do not advance the solution of the problem by first taking a step in the wrong direction. You thwart the solution, you delay it; and what is more you make your country a by-word before the world. What position is this country in as respects the Great Lakes problem to-day? Are we as far ahead as we were in 1923? We have a board which is forced to sham because it is supposed to be controlling rates, but everyone knows that it has not dictated a single rate. That board in actual practice, has no more to do with the control of rates on our lakes than have the wardens of a Confucian temple in Shanghai. The government may have expected that by taking that step in 1923 they would bring the American government to attention, and that the American government would join them in some system of control. But instead the American government stood by and laughed, and after the whole farce is over, the North American continent laughs as well.

Surely this House, merely because it is told by the Prime Minister that it is a case of being either in favour of low freight rates or against them, is not going to vote for this resolution. Surely this House is not going to pass its blessing on a resolution or on the ratification of a contract in which, I venture to say, in his heart of hearts no hon. member believes. I ask, subject to correction: Is there any hon. member who has heard this contract approved by any respectable citizen in this country outside the walls of this House? If any one can mention a man who has approved it to his face let him say who that man is. I stand and say definitely that not one human being has ever in my hearing or by letter expressed in the slightest degree any word of favor for this contract. The House is asked in the face of the direct challenge of the amendment to declare that this agreement ought to be ratified, and its feelings are soothed by the Prime Minister who says that all we really declare, is that we should like to see something done. I appeal to this House, on the contrary to make its real will known and to say that even though the government resolution be amended in detail, it is fundamentally wrong in principle, is ill-advised, costly and futile, and deserves no further consideration at the hands of parliament.

Hon. E. M. MACDONALD (Minister of National Defence): I am sure the House will all agree with me that my right hon. friend (Mr. Meighen), whose faculty for destructive and unfair criticism is among the greatest of his abilities, has to-day given us one of the best exhibitions of that quality, and that after a speech of two and a half hours he has left this important question without having given to the House or to the country one atom in the way of solution, or one suggestion as to how the present problem may be met. Hon. gentlemen who sit behind him have discussed for a number of days this question of the incubus of ocean freight rates under which this country is now staggering, and they have denied that a combine has existed. They have urged that there was no such thing.

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD (Pictou): I see my hon. friends are following the cue of their leader. I am however in the judgment of the House when I make the statement that such were the arguments of hon. gentlemen opposite.

Mr. MEIGHEN: Will the hon. gentleman mention one member who has said such a thing?

Mr. MACDONALD (Pictou): My hon. friend from Vancouver Centre (Mr. Stevens)—

Mr. MEIGHEN: He did not. Will the minister quote from his words?

Mr. MACDONALD (Pictou): The right hon. gentleman now comes forward and declares that a combine does exist that controls ocean rates, and he admits that the rates have materially advanced and have rendered exceedingly difficult the problem of exporting our products. He agrees that complaints have been made and are being made in the circumstances, and that the element of competition is eliminated. And then he proceeds in his casuistic way to argue that after all a combine is not a bad thing and that when you come to deal with ocean transportation it is perhaps necessary. After a complete distortion of almost every phase of the contract which he ventured to discuss, he concludes his remarks without giving to the House one suggestion as to how the evil is to be overcome.

Mr. GRAHAM: He ran away from his own amendment.

Mr. MACDONALD (Pictou): Absolutely. My right hon. friend, in his dogmatic way, shortly before concluding, asserted that there was not a single man in this country who would say a word in favour of the proposition. Let me say for the information of

the hon. gentleman that I have under my hand a statement touching this question by one of the most important organs of public opinion in Canada. The Manitoba Free Press, in its issue of Monday, March 16, 1925, says:

> The attempt of the interest behind the North Atlantic shipping combine to obliterate the Preston report and the Petersen contract by a converging fire of all available artillery has not succeeded. The assaulting combination has been formidable: the British press, the linked commercial financial and shipping interests in Great Britain and Canada which have the best reasons for not wanting the present level of ocean rates disturbed, the Canadian Conservative party and its press, with something more than a hint that the British government is also unsympathetic towards the course taken by the Canadian government. Nevertheless, all the dust that has been kicked up does not obscure the broad outlines of the situation which exists and which calls for action. There is a combine among the North Atlantic shipping lines, and the rates exacted by the combine are so high as to affect our national interest in a manner highly detrimental. No relief is available unless we provide it ourselves. This the Canadian government is making an attempt to do. If Mr. Meighen and his party and his newspaper supporters, like the Montreal Gazette, the Ottawa Journal and the Toronto Mail and Empire, think they are getting anywhere by assailing the government for what it is trying to do and advocating the policy of patient submission to the combine, as though to the divine will—

This "policy of patient submission to the combine" is what my right hon. friend argued for. And that is what his whole speech to-day amounts to.

> —they are making provision for one more disappointment. The instincts of the opposition to oppose the government in all things often commits it to stupid and shortsighted policies; there has never been a more striking exemplification of this than in this instance.

Now my right hon. friend says that there is a combine. But has he offered one single suggestion as to how the evils from which the country is suffering are to be remedied? In the speech of my hon. friend from Burrard (Mr. Clark) there is an amendment suggesting in some vague way that there ought to be a conference of the different empire units to talk over the matter. But my right hon. friend (Mr. Meighen) scorns the idea, for he never ventured to say a word in support of it as a solution of the difficulty. So that, forsooth, so far as the regular opposition in this House is concerned, they say to the House and the country, tacitly at any rate: "Let the combine go on and interfere with the export trade of this country; let it continue to hamper the transportation facilities of Canada; we will sit tight and do nothing." That is their position.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. STEVENS: Would my hon. friend permit me to correct a statement which he made before recess? I did not catch the remark at the time or I would have interrupted him. I know perfectly well he does not wish to misrepresent me, and I merely rise to correct the statement. He stated that I had said that there was no combine. What I said was this:

> I am not for the moment suggesting that there is not a combine.

Then I also said:

> As a matter of fact, Mr. Speaker, no one disputes the fact that there is a conference, or a combination of interests existing in connection with shipping. It is unnecessary to establish that; it is admitted.

I merely rise to correct what was obviously an error on the part of my hon. friend.

Mr. MACDONALD (Pictou): My hon. friend from Vancouver Centre (Mr. Stevens) has read isolated quotations from his remarks, but I am in the judgment of the House if the trend of his remarks all through was not along the line that there was no necessity for dealing with this matter in the way the government were proposing to do, because there was not a combine in the sense in which it was charged. I would not wilfully misrepresent my hon. friend in any way, but I am quite sure that the impression which was left upon my mind and the mind of every hon. gentleman by the tone of his remarks was such as I have indicated. I am sure my right hon. friend (Mr. Meighen), when he announced this afternoon that there was no question about there being a combine, and then began to coo and to indulge in that kind of remarks, which he can do so easily, intimating that after all there might be worse things than combines, particularly in regard to shippers, took a very peculiar position. There were other days when he did not coo so sweetly in regard to combines, but thundered at them in the most vehement way. Hon. gentlemen who were in the House in 1913 will remember that my right hon. friend at that time thought the situation in regard to the Atlantic freight rates had reached so serious a position that he moved the adjournment of the House in order to call attention of the House and the country to its importance and made a demand that the then government which he was supporting take some immediate action to deal with it. And well might he do so, because here in Canada, with our immense undeveloped resources, unless we find an outlet for our

export trade under conditions under which we can profitably send what we produce to the older nations of the world, we have but very little hope for or confidence in our future. In exporting the products of the farm, the mines and other industries, we are in competition with the United States of America, with the Argentine Republic and with the other overseas dominions all of whom are as yet in a somewhat similar position to that in which we find ourselves. Yet my hon. friend, in 1913, realizing the seriousness of the situation moved, as is customary in cases of urgency, that the House should adjourn in order to enable him to bring the situation before parliament and the country. What did he say at that time? He said:

I have placed before you, Mr. Speaker, a somewhat elaborate table showing the great increase that has taken place in ocean rates on grain and flour. That increase cannot be accounted for by normal conditions of any kind and in my judgment an explanation can be found only in a condition of affairs such as we have been compelled to address ourselves to in other lines of industry, namely the presence of monopoly. What is the monopoly that appears to be in control in this instance? There is no attempt to keep secret the fact that there exists an understanding between the various steamship lines operating between north America and European and particularly United Kingdom ports. It is known as the Canadian North Atlantic west bound freight conference. That conference, however, took its birth not at the time that the rates were increased in this way. That conference has been an institution of very considerable strength for the last eight years. It has been doing its work in a thorough method. For the first three or four or five years of its existence apparently it devoted its energy to sweeping from the high seas traversed by its lines all of what are known as tramp steamers, those steamships that have operated through many years as the element that introduced real competition in freight rates over the Atlantic.

Again he says:

As I showed at the commencement, this conference has so successfully done its work that roughly speaking they have raised incoming freight rates from twenty to fifty per cent, and in some cases by even a larger percentage, in that way largely nullifying any advantage we might hope to secure from the British preference.

And yet he produced tables this afternoon from the London Economist in which the rates from this side of the Atlantic, both from the United States and Canada, were shown with a view of answering these large specific increases in rates which my right hon. friend and leader (Mr. Mackenzie King) gave to the House on Tuesday night. My right hon. friend the leader of the opposition (Mr. Meighen) attempted to make it appear to the House and the country that the actual increase in freight rates in Canada was not as great as it really is, and yet he inveighed against them at that time and said:

[Mr. E. M. Macdonald.]

Furthermore it is well known, and, I think, uncontradicted that those lines which operate from our ports to ports across the Atlantic have a distinct understanding, if not more than that, with all lines operating from Portland and the port of New York to similar ports across the ocean. All have been brought under what is known as the North Atlantic Shipping conference. They are all reaping the rewards that come from that monopolistic corporation and they all at present feel themselves bound to obey the dictates of that conference, whatever they may be. The problem that faces us is this. Is it possible, and along what lines is it possible, to succeed so as to bring to a sense of duty, to a sense of equity, this corporation? I do not think I am stating the case too strongly when I say that there is a monopoly. We have every evidence of a monopoly in the arrogant exercise of power that we have had to submit to up to the present time. I am aware that the government have been dealing with this matter; that they have addressed themselves to it with vigour. I am also well aware that it is not possible to follow the old methods of attack and hope to meet with success in an attack on this corporation. It is not possible to adopt the old weapons and hope to win. Along what lines is it possible that we may succeed?

Mr. MEIGHEN: Did I mention the line in this contract?

Mr. MACDONALD (Pictou): No, my right hon. friend was floundering as he sometimes is, as he was this afternoon. My right hon. friend at that time brought forward for the consideration of the House and the country a gigantic evil, and just as he did this afternoon, while admitting that the evil still exists, he offered to the House and the country not the slightest suggestion as to a remedy or how to deal with the matter. Then he went on:

But we know that we have interests in ocean rates that would be adverse to the interests of the people of the United Kingdom. It would be doubtless in the interest of the consumers there to see that the wheat rate was kept as low as possible in relation to the flour rate, whereas the very opposite would be the better policy here—to reduce the flour rate and not continue the spread between the two. I should be glad indeed if the government of the day could find a solution for the problem in the direction I indicate. At all events, the purpose of bringing this discussion up is to draw the attention of the people of this country through this parliament to the great increase that has taken place, to call attention to the serious aspect of this matter in relation to our prosperity and to enlist behind the government the active co-operation and sympathy of the Canadian people in whatever steps they may see fit to take in order to bring about a betterment of conditions.

In 1913, there was not any step too strong that could be taken in order to satisfy my right hon. friend, and the need which, he saw, existed in the country in regard to this matter. My right hon. friend to-day is speaking the voice of this combine. He produces certificates in regard to the Canadian Government Merchant Marine which, he says, come from those who are not friendly to it, but they all come from men who were

employed by ship-owners that were in the north Atlantic combine.

Mr. MEIGHEN: There is nobody else. The merchant marine are in it too. Where would I get them?

Mr. MACDONALD (Pictou): They are not now. We will come to that later.

Mr. MEIGHEN: The hon. member for Lunenburg (Mr. Duff) says they are.

Mr. MACDONALD (Pictou): My right hon. friend's record on this matter is certainly a circuitous one. When responsibility came to him in 1921, and when Sir George Perley wrote to him from England calling his attention to the necessity and desirability of taking some action in regard to this matter, what did my right hon. friend do? He announced that he was going to appoint Dr. Magill, and until a few days ago when he heard Dr. Magill had never made a report, my right hon. friend did not know but that Dr. Magill had made a report. My right hon. friend discovered this only three days ago.

Mr. MEIGHEN: My hon. friend has not the slightest warrant for what he says. I asked the government to produce the correspondence. They stopped at my reply to Dr. Magill. I believe Dr. Magill had made a reply to that letter. I knew he did not make a report. He was not asked to make a report. He was asked to prepare Canada's case for presentation to the Imperial Shipping Board. All I asked for was his reply to my letter. If the minister does not see any difference between a reply to a letter and a report of an investigation, I am sorry for his sense of accuracy.

Mr. MACDONALD (Pictou): My right hon. friend says now that he thought Dr. Magill had not made a report or he knew he did not make a report. Which was it?

Mr. MEIGHEN: I did not speak of that at all. I knew he did not make a report. What I said was I believed he had made a reply to my letter to him, and that is all I ever asked for.

Mr. MACDONALD (Pictou): My right hon. friend is now in a dilemma.

Mr. MEIGHEN: Not in the least.

Mr. MACDONALD (Pictou): On this question which was one of the most serious that he ever had to deal with and which he asked parliament to adjourn to consider, when he had responsibility and when Sir George Perley called attention to the matter, he wrote to Dr. Magill asking him to make an investigation, and my right hon. friend never bothered his head about the matter further.

Mr. MEIGHEN: Six months passed before the election was called. As I explained, we made no progress; but complaint does not come very well from a government which waited a year and a half after the McMaster report before even making a suggestion.

Mr. MACDONALD (Pictou): When my right hon. friend, who is such a severe critic, had the responsibility as Prime Minister of this country, after initiating a discussion of this subject in 1913, I am in the judgment of this House whether, from what has taken place here at this moment, the right hon. gentleman ever took one step in order to deal with the matter. He writes to Dr. Magill, he never inquires to find out whether Dr. Magill has made an investigation or not, and he leaves the matter there. That is where my right hon. friend stands in regard to this question. In dealing with the subject under discussion this afternoon, my right hon. friend asserts that we cannot control our rates on Canadian exports. This is quite at variance with his attitude previously when he demanded that the government of the day should take some action in regard to it; but he was unable to advise, because my right hon. friend is usually destructive, and I am in the judgment of the House and the country if my right hon. friend ever signalized his responsibility by any constructive method or movement in regard to any matter. To-day he says that the rates cannot be controlled. In the case of a combine, I should like to know as a business proposition if there is any way in which you can prevent that combine from operating except by creating competition for it. That is a sound and sensible proposition. If you have a certain group of people that control a condition of affairs in any kind of business, must you not find competition in order to remedy the matter in some way? If you cannot find the existing competition, must you not create that competition, which, by its entry into the field, will enable the article to be manufactured at a cheaper price or to be carried at a lower rate than that which the combine imposes?

My right hon. friend indicated that we had done nothing after the report of the McMaster committee, as it is known. My right hon. friend entirely omitted, when the hon. member for Brome (Mr. McMaster) asked him to read further this afternoon, a certain recommendation that was made at that time. That recommendation reads:

Should it appear that there are no ships or not a sufficient number of ships belonging to the Canadian

Government Merchant Marine suitable for this service then it would appear that wisdom would dictate the disposal of some of the smaller ships to enable ships of the class required to be secured.

He failed this afternoon to mention that. He read a recommendation to take the matter up at the Economic conference. The Minister of Railways and Canals and the then Minister of Justice brought before the conference committee and the Imperial Shipping committee the rates on flour and other rates which were urged upon them at that time, and as a result of their efforts a sub-committee of the shipping committee came to Canada last year and dealt with that question by way of investigation. A matter of this kind cannot be dealt with in a moment. The government have been active in considering how this great problem, so vital to the business interests of this country, might be grappled with in some way and how these results might be obtained. We have now submitted to the judgment of parliament the proposal which we have before us. My right hon. friend was very much worried because this proposal was going to a special committee. Is there any reason why it should not? Time and again, in a somewhat lengthy parliamentary experience, I have known governments to submit measures to the House and to say that, instead of the ordinary procedure which applies to government bills of going into committee of the Whole, after second readings, they propose to submit them to the consideration of a special committee in order that the whole House may be thoroughly seized of the matter. How much more on a great question of this kind would the government be justified in taking this course of submitting this measure to a special committee, so that it might be closely and completely scrutinized and we might arrive at some solution of the problem in the best interests of the people of this country? Now my right hon. friend engaged in some casuistical criticisms of this contract. In the first place, he told us that Sir William Petersen need only have one sailing a year. Well, Mr. Speaker, there is not much use discussing before the House in great detail what the legal effect of a contract may be, but this is the plain English of the contract in regard to this matter, that the contractor shall—

Build, equip, provide, establish and during this contract, continue and in the manner hereinafter mentioned, operate a regular shipping service between such ports in Great Britain or Ireland or the continent of Europe, and Canadian ports as may be designated by the Minister of Trade and Commerce for Canada or his representatives from time to time.

I had the opportunity of conferring with the distinguished legal gentleman who passed upon this contract, I refer to Mr. Lafleur, and it is his judgment, with all due deference to my right hon. friend's experience, and it is my judgment, if it is worth anything, that that clause has only one meaning—that a regular shipping service is a continuous shipping service throughout the year. Not only that, but my right hon. friend went on to say that it was not Canadian goods that were to be carried; all kinds of goods could be carried without the government here having anything to say about it. Well, it is the a, b, c of legal construction that when you are dealing with the interpretation of a contract you look to the recitals in order to see the purpose and object expected to be secured by the operative clauses later on. And this is one of the recitals:

And whereas the government of Canada after an investigation of the representations brought to its knowledge and after giving the same serious consideration has thought it wise to adopt such means as may be deemed expedient and necessary to exercise such supervision and control of trans-Atlantic freight rates as it is possible for them to do and thereby as far as possible to prevent and defeat any unreasonable excess or overcharge in ocean freight rates as exercised by such ocean shipping combines or conferences to the loss and detriment of its citizens and has reached the conclusion that in order to more fully safeguard the interests of its citizens it would be well advised to enter into an arrangement whereby it may exercise such control or supervision and whereby it may improve the conditions under which the products of its citizens are exported or imported.

That recital contains the express purpose of the contract, it is a controlling clause, and not even a barrister of a year's experience would venture to assert before any court in this country that it had any other meaning, nor, I venture to say, would any judge for one moment listen to an argument that the government of Canada had no control over the commodities that were to be carried by these ships. The language in regard to the control of rates is also so clear and definite that it cannot be considered for one moment as capable of any other construction:

That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix such transportation rates on all commodities from time to time.

Mr. McQUARRIE: Might I be permitted a question? Under this contract does the minister suggest that the government will have any control over the allotment of space? For instance, the Prime Minister yesterday referred to the carriage of cattle. Now, under this contract will the government be in a position to control the space that will be allotted for the accommodation of cattle? If so, under what clause?

Mr. MACDONALD (Pictou): I was dealing with the question of rates and the question whether it was Canadian goods that were to be carried on these ships. I will come to my hon. friend's point in due course, but he is not going to be permitted to divert the attention of the House from the point which I am making at this time—that absolutely and beyond a shadow of a doubt under this contract the control of rates and the control of goods that are to be exported vests in the government of Canada.

Then my right hon. friend indulged in some pyrotechnics in regard to the law concerning lake freight rates. Let us be frank and understand where we are with respect to that question. A commission was appointed, composed of Mr. McLean, of the railway commission, Mr. Thompson of Saskatchewan and General Tremblay, who is connected with shipping in Quebec. That commission recommended to the attention of the House and the government the measure which we submitted in accordance with the terms of that recommendation. That is where the law came from. It was created after the fullest investigation by a commission whose members certainly were in a position to examine the subject thoroughly.

Now I propose to deal with the question generally, and to call the attention of the House to what the government has done in regard to this contract. We have chartered ten new vessels, fully equipped for our trade, and we have obtained control of the movements of these vessels, and of the rates to be charged. The contract is substantially a charter party, similar to what might be entered into by any business firm engaged in a large way in the transportation of its products. We make the charter party and place the ships at the disposal of the Canadian producer and manufacturer, with the certainty that they will be able to transport their products cheaper than they can now, and with the assurance that those products will be transported through Canadian ports. That is a summary of our policy. That is the result we obtain by the arrangement we have made, and no amount of argument can gainsay it. This talk of handing $13,000,000 out of the treasury for no return entirely overlooks the substantial results that are involved in this contract. If we had a large business firm in Canada producing some staple product of which it was able to make large sales in Great Britain or on the continent, what would it do? It would proceed to make an arrangement with a shipping firm owning and controlling a fleet of ships to carry its products. In a word, it would make a charter party under which it would pay the shipping firm so much for the service to be rendered. That is what we have done. We pay this money in order that we may control these rates in the interests of the Canadian people, in order that these ships will sail from Canadian ports, and in order that the present condition of affairs under which our ports are discriminated against in favour of United States ports will not be permitted to continue. That is what we have done. And why should not that measure be submitted to a committee of this House?

In a speech in 1913 my right hon. friend indicated that the British interests in this matter were adverse to ours. They certainly are. Let us be frank about this. Sir George Perley says so. Writing to my right hon friend in 1920 Sir George said:

> The terms of reference do not definitely give the committee—

That is, the Imperial Shipping committee

> —authority to consider the possibility of controlling freight rates, but I explained fully to the committee at their first meeting the interest which Canada took in that question.

Then again he wrote:

> As such a large amount of tonnage is owned in these Islands they are perhaps naturally not very anxious about the control of freight rates and therefore, if you decide to bring the question before the committee, I do not think it possible to give too much time or attention to the preparation of our case.

Then my right hon. friend asked Dr. Magill to prepare a case, but never once inquired whether he had done so or not. Now, what is the situation in regard to our relation to the Mother Country in reference to shipping? My hon. friend from South York (Mr. Maclean) in the resolution which he introduced some weeks ago in favour of Canada having the power to amend her constitution, asserted, and asserted vociferously, that all we needed to do was to ask the Mother Country and she would grant us our request. My hon. friend entirely forgot the relation in which we stand to the Mother Country with regard to shipping. Section 91 of the British North America Act purports to give Canada the right to deal with navigation and shipping. But let me tell the House, we cannot deal with navigation and shipping except in a bettered way. Under the Merchant Shipping Act of 1854, which was re-enacted in 1894, Canada cannot do a single thing in regard to shipping except as to shipping which is registered in this country. Let us see how that works out—and it explains some of the difficulties we have to contend with in dealing with this matter. It is quite time that this House and the country

realized the larger issue that is involved in this question. The Hon. Mr. Brodeur, late Judge of the Supreme Court of Canada, whose unfortunate demise occurred a short time ago, when he was Minister of Marine and Fisheries previous to 1911 took up with the British authorities the question of amendments to the existing law which would enable us to deal freely with these matters as we can deal with other matters committed to us. Australia and New Zealand, in state papers, presented to the British government a similar claim and are still pressing the matter. Under the Merchant Shipping Act, so called, British shipping, Australian shipping, New Zealand shipping, can engage in our coasting trade and we cannot do anything to prevent it, to interfere with it, even to regulate it. If, for instance, Canada desired to impose a duty upon ships built in Great Britain and brought over here, that duty would be entirely nugatory, because if the ships were registered in Great Britain they would have a right to engage in our coasting trade and we could not interfere with them in any way. Not only that: we passed in 1910 the Canadian Carriage of Goods Act under which we undertook to lay down the rules applicable to bills of lading upon export cargoes from Canada. The Furness-Withy people and others engaged in this absolutely ignore that act; they make their bills of lading as they please, because, they say, if the ships are registered in Great Britain they are not amenable to our laws; the Canadian Carriage of Goods Act does not apply. Under the Colonial Laws Validity Act we cannot legislate in regard to any question affecting for instance, the amount of money recoverable in the case of a collision at sea; nor can we make any amendments to the rules of practice of the Admiralty court unless we secure approval through an imperial order in council. My right hon. friend was quite right in 1913, and Sir George Perley was quite right in 1920, when they said that the British people were not in favour of the control of rates or of giving us anything to say in regard to that matter. The shipping interest in England is very powerful, controlling as it does, political situations, dictating legislation and generally occupying probably the strongest position of any business interest in the great Mother Country. And they do not want their rates controlled; they would not agree to any proposal looking to the control of rates in Great Britain. We might as well bay at the moon as expect them to do anything in that connection. Though my right hon. friend had two resolutions drawn on this question,—and his supporter from Burrard (Mr. Clark) moved one here—he knew very well that the effect of that resolution if adopted would be to negative any chance of our getting an improvement in the matter of freight rates.

Mr. MEIGHEN: Did I not understand the minister to claim a few minutes ago that the government by appealing to the Imperial Shipping Board had actually got the flour discrimination removed?

Mr. GRAHAM: That was done before the Shipping Board came here.

Mr. MEIGHEN: No it was not.

Mr. GRAHAM: Yes it was.

Mr. MEIGHEN: Oh no—years after.

Mr. MACDONALD (Pictou): I will show my right hon. friend how that was done.

Mr. GRAHAM: It was done before they ever came over here.

Mr. MEIGHEN: It was done since 1918.

Mr. GRAHAM: They did not do it until two years ago.

Mr. MEIGHEN: I know—that was after.

Mr. GRAHAM: Not at all.

Mr. MACDONALD (Pictou): Having brought the Imperial Shipping committee to that point they went to the combine, the monopoly that my right hon. friend denounced; the monopoly to whom he said: "Please Mr. Combine, please Mr. Monopoly, won't you let up a little bit on this flour business?"

Mr. MEIGHEN: We got it done anyway.

Mr. MACDONALD (Pictou): That is the way it was done.

Mr. MEIGHEN: I thought you said they would not do anything.

Mr. MACDONALD (Pictou): I will make this statement, and my right hon. friend will not dispute it: The British parliament will not agree to legislation that will provide for the control of rates on British shipping. This is the way this Shipping committee, according to their own story, had the matter of flour dealt with—I quote from their report:

> We are pleased to say that we were able to obtain a satisfactory undertaking from the Canadian Liner committee—

That is the graceful title which means North Atlantic combine.

> —in regard to discrimination in rates against Canadian flour. This no doubt should be supported by a further

undertaking on the part of the British lines engaged in the north Atlantic trade, if such an undertaking can be obtained.

It has also been suggested that this board got something done in regard to insurance on the matter being brought before them. What was done was this—a very anomalous thing: the insurance rates which have discriminated so completely against our Canadian ports and in favour of New York and Portland, as indicated by my right hon. friend and leader when he read from the report of Mr. Scott, the grain commissioner, the other day, has been changed so that the rate is somewhat lower on the hulls of vessels sailing from Halifax, but the insurance rate has not been decreased one cent upon the cargoes going in those same vessels. A very peculiar anomaly, is it not? Nor has the port of St. John, which is our larger Maritime seaport, been able to get its insurance rates reduced at all, either on hulls or on cargoes. So that the remedy suggested in the resolution moved by the hon. member for Burrard simply puts this proposal into a political cemetery whence it can never be resurrected in our time. It relegates to oblivion the idea that any relief whatever can be obtained for this country in the matter of ocean freight rates.

My right hon. friend spoke this afternoon on the question of the utilization of the Canadian Government Merchant Marine, and I want to discuss very frankly that phase of the subject. I have gone into that matter and I find that of the ships of the Canadian merchant marine, 23 are under 5,000 tons. Fourteen are on the Great Lakes or laid up and are therefore not available for ocean tonnage. Thirteen are used in the Pacific trade and have, I understand, been successful in developing trade on the Pacific coast, sailing from Vancouver to other ports. Fifteen are engaged in the Australian trade taking in New Zealand and other places. Six are in the West Indian trade and nine on the north Atlantic. Those in the West Indian trade are being sailed there in accordance with the treaty arrangements which were made with the West Indies.

Mr. MEIGHEN: Twelve on the north Atlantic.

Mr. MACDONALD (Pictou): Nine.

Mr. MEIGHEN: There were twelve in 1923, according to the report which I hold in my hand.

Mr. MACDONALD (Pictou): This is the information that came to me officially.

Mr. MEIGHEN: I have the official report here.

Mr. MACDONALD (Pictou): That is the existing situation, anyway. I do not know what it was in 1923.

Mr. GRAHAM: What difference does it make to the argument whether there were nine or twelve?

Mr. MACDONALD (Pictou): I want to remind my right hon. friend that he and his government built these ships and it was along in 1920 and 1921 that stress was being laid upon the necessity of dealing with this question of ocean freight rates. Why did he not put some of these ships on the ocean if he thought the matter should be dealt with in that way?

Mr. MEIGHEN: Put them on the ocean? What are they on now? Were they not put on the ocean?

Mr. GRAHAM: They were all dressed up and no place to go then.

Mr. MACDONALD (Pictou): I want to direct the attention of the House to a clause in the contract to which my right hon. friend did not refer:

> And it is mutually covenanted and agreed between the parties hereto that the shipping services to be established by the contractor herein will co-operate and work loyally with the Canadian National Railways system and the fleet of ships operated by that system and under its control and known as the Canadian Government Merchant Marine.

The purpose of the government in regard to this matter is to ask the Canadian Government Railways, which are operating these ships, to work in conjunction with the ships that are to be constructed under this contract, so that co-operating together, and with the facilities of the railway being available for both the Petersen ships as well as our own, we shall have in reality 19 ships with which to deal with this combine.

You may ask, why was it not done before? Here was the situation. Here was this immense deficit upon the railways, and a deficit on the merchant marine ships. Now the proposition that you are going to fight a combine with nine ships, without any reserves of strength of any kind, I am sure every hon. gentleman will agree with me, on reflection, was not a sound business one, if the matter was being handled directly by the government. We had before us the result of the experience of the United States and of Australia, both of whom have gone out of operating their ships directly. The solution of the problem rests now on the arrangement we have made

with Sir William Petersen for ten ships under charter, together with the nine ships, if not more, of the government merchant marine on the north Atlantic co-operating with the Canadian National railways, with their freight rates controlled, and their destinations controlled. In that way we shall have given to Canada, when this contract is approved by parliament, the first practical method of dealing with this vexed question in this country.

Mr. SPEAKMAN: Before the minister leaves that point, may I ask whether the controlled rates applying to the Petersen vessels will apply also to the vessels of the merchant marine, if they are to work in conjunction with them?

Mr. MACDONALD (Pictou): That would certainly be the idea and the policy of the government.

Mr. MEIGHEN: Do I understand it is the intention of the government to place the merchant marine vessels under the management of Sir William Petersen?

Mr. MACDONALD (Pictou): No, I did not say anything of the kind.

Mr. SPEAKMAN: May I ask one more question in that regard? If the lower rates are to be applied to the vessels of the merchant marine as well, will not that, without the aid of a subsidy, increase the present deficit in operating these vessels?

Mr. MACDONALD (Pictou): I should think the government would see its way clear to supplement in connection with the government merchant marine vessels, just the same as they would in regard to the Petersen boats, although we are obtaining control of the rates on the Petersen boats as the result of a special charter.

Let us never forget what the situation is in regard to the Petersen contract. We hear a lot of talk about subsidies, but I assert this, and I venture to say it cannot be gainsaid: that what we have done in regard to the Petersen contract is simply to charter these ten vessels when constructed, and we shall have absolute control over their rates and destinations, and all such matters, in just the same way as a business firm in this country would that chartered ten vessels from the other side of the ocean. That is the sum and substance of the situation from a legal standpoint. There is no more technical and difficult subject to deal with, as a matter of law and business, than shipping and shipping contracts, and hon. gentlemen who have high status at the bar, but who have not had an opportunity of living at the seaboard, where they would come into contact with shipping business, have—no matter what their status may be—very little knowledge of how these problems are worked out. So technical is this shipping business and shipping law that not only in the Mother Country but in the seaboard provinces of this Dominion, both on the Atlantic and on the Pacific, men have given up practically all their other legal business in order to devote themselves to shipping law and shipping business. I assert, with some experience in these matters, because coming from a seaboard province I have had to deal with them, that all this talk about subsidies, all this bugaboo that is raised on the question, is simply an attempt to mislead the public mind in regard to what is a simple business proposition. This country is simply chartering from Sir William Petersen ten ships for ten years, and instead of giving him so much per ton, we are paying him a flat rate. In regard to the utilization of the Canadian Government Merchant Marine ships, it is both implied and expressly stated in the contract that the Petersen ships in working out the contract shall work in conjunction and unison with the Canadian Government Railway system, and with the fleet of ships operated by that system.

Mr. GOOD: I should like to know what objection the minister has to adding ten ships to the Canadian Government Merchant Marine and subsidizing them?

Mr. MACDONALD (Pictou): Well, for the simple reason that we look at the experience of the United States and Australia. The experience all over the world is that a line directly owned and operated by a government cannot be worked out successfully. But having these ships on our hands, and having the advantage of the business connections formed by an independent company which is sailing ships throughout the world, and utilizing the docks and terminals on the other side where these ships have their connections, we shall be able to utilize these government merchant marine ships in a manner we have never been able to utilize them before.

Sir HENRY DRAYTON: If my hon. friend is serious, why not put all the boats under Mr. Petersen?

Mr. GRAHAM: That would have been reasonable in 1920, when you did not have them on any routes.

Mr. MACDONALD (Pictou): Will my hon. friend say that his distinguished friend from Vancouver who sits behind him would

like to have the Canadian Government Merchant Marine ships now sailing from Vancouver on the Pacific ocean taken off these routes?

Sir HENRY DRAYTON: I really did my hon. friend an injustice. I assumed he was serious in his argument.

Mr. MACDONALD (Pictou): My hon. friend is a very genial fellow, and he jokes occasionally. He is beginning to be a rival in that respect to my hon. friend the Minister of Railways, though he has a long way to go before he catches up with him.

Mr. SPENCER: How many of the government marine ships will be working in co-operation with the Petersen ships?

Mr. MACDONALD (Pictou): According to my present advice, there are nine vessels operating in the north Atlantic which could be utilized in that connection.

Mr. SPENCER: If that is so, why not put the nine vessels under Sir William Petersen, following up the minister's assertion.

Mr. MACDONALD (Pictou): My hon. friend is very prolific of suggestions. These vessels are being run by officials connected with the Canadian National Railway system. I do not know whether they are making any mistake in running them. Probably they are running them as cheaply as they could be run anyway. My hon. friend wants us to give these ships away or to hand them over to Sir William Petersen. I do not think the Canadian people would be in favour of giving them away. But there is no reason why as a business proposition the results contemplated under this contract cannot be obtained, and I think they will be obtained, much more efficaciously along the line the government is suggesting than in the way my hon. friend suggests.

Let me say further, we have had a great deal of criticism of this proposal. My right hon. friend the leader of the opposition talked for two and a half hours this afternoon on the subject, and offered not a single constructive suggestion as to how to deal with this problem. I would like to hear, and this government and the country would like to hear, from hon. gentlemen who are criticizing this proposal some tangible suggestion that will be an improvement upon it. If you are going to leave this question to the British shipping interests, you will never solve this problem of the combine. There is only one way to deal with a combine, and that is to give it competition. If there is any other way, when you have not legislative control, I would like to know what it is. While, therefore, the method suggested may not be absolutely the best solution that could be devised for meeting the problem, the government submits it to the House with the proposal that a special committee be appointed to go thoroughly into the whole matter, investigating it from every angle. And I am confident that after the committee shall have heard evidence and gone into the subject fully, the conclusion will be that the method suggested by the government is a sound one. Hon. gentlemen may indulge in criticism, but if the evil was great in 1913 I think it will be admitted that it is still greater to-day. The combine has a strangle hold on the business interests of Canada, and our progress in trade is hampered in consequence. We cannot make any advancement so long as these impositions are exacted against our products as a result of the operation of any combine. It is necessary therefore, in the interests of the people at large, that we make some attempt to grapple with the situation, and I submit in confidence that the committee of the House which will scrutinize the measure with every care will give it their support.

Mr. McQUARRIE: I want to remind the minister that he has not carried out his promise to answer my question. I asked him a question which he said he would answer later on.

Mr. MACDONALD (Pictou): I shall be glad to give the hon. gentleman an answer when the House goes into committee.

Mr. D. F. KELLNER (East Edmonton): In rising to make a few remarks on the resolution and the amendment thereto it would not be amiss, I think, to express the pious hope that the subject may be discussed on its merits wthout any recourse to political controversy. I had intended to offer a word of congratulation to the leader of the opposition (Mr. Meighen) on his able speech this afternoon, but I realize now that if I did so I might be treading on dangerous ground after having heard the Minister of National Defence (Mr. Macdonald, Pictou). I do not think that hon. gentleman would relish any remarks of that kind.

The resolution, I understand, was prompted by the report we have before us, submitted by Mr. Preston, the allegations in which are to the effect that there exists a shipping combine which has practically complete control over all trade routes. They operate by outbidding competing lines, thus eliminating competition, and they divide the territory

among themselves. I do not think there is any question as to the nature of the general allegation of the report—certainly the suggestion is there—that this combine is out to work against British companies and industries.

The Prime Minister in speaking the other night on this subject offered the suggestion that this report was not the only thing which the government had to inspire them to move in the direction now proposed. He told us that there was a vast amount of correspondence from certain sources pointing to the impossibility of carrying on trade under existing rates; these companies situated throughout Canada, it was stated, found it very difficult to do business, and possibly this was another source of inspiration leading to the present step on the part of the government. Be that as it may, I think we are justified in assuming that both arguments more or less influenced the government in the matter. Let me now consider the action which the government proposes to take to meet the situation. It is proposed to subsidize a certain company—I understand that the government objects to that word, but I know of no other which can exactly describe the proposal; the government, I say, intends subsidizing a company—which will enter into competition with the combine which is now in operation. Speaking the other night in this House in another connection, I recalled the condition of affairs in the late nineties in regard to the railways in western Canada. I should like to refer to that matter again. In those days it was generally alleged that the Canadian Pacific Railway was a heartless company that operated simply for the purpose of extorting money from the poor settlers in the west, and it was urged that the only way by which that situation could be met was by building another road to compete against it. We proceeded to do that, and it has been stated during this debate that the competition which is supposed to go on between the two railways is to keep them from reducing rates under governmental control. We have a railway commission which, it is said, actually precludes any possibility of the railways charging exorbitant rates. Now, so far as the export trade of western Canada is concerned, I think it is only fitting that we should consider the whole situation from the time the product is laid on the car in western points until it reaches its destination overseas. The portion of rail over which these goods are hauled is one step in the export business. The Minister of Railways (Mr. Graham), discussing this subject the other night, said that what the government had in mind was to establish governmental control, and I took it that he wanted that control fixed in a way similar to the control that obtains on the lakes and the railways. I think therefore that we are justified, in considering the question of ocean rates, to refer to what has been done in other departments of our export trade.

Let us take our railways. When the Crowsnest pass agreement was reinstated recently —that is to say, to the extent to which it was reinstated—the railway commission acting on behalf of the government rejected it. Of course, it was again reinstated by the Supreme court. But at the present time the Railway Act is not being enforced by any means in its entirety. There is a clause in the act providing against discrimination, and it is hard for the rank and file of western people to see why that clause is not being put into effect. Let us take now the condition on the Great Lakes; for transportation there is an important factor in our export trade. We held an investigation into that matter a couple of years ago and passed a resolution to do away with the combine that existed in that regard. It was definitely represented to the committee that investigated the subject then that there existed on the Great Lakes a combine of no uncertain potentialities. I do not know but that the evidence submitted to that committee went to show that there was as complete a combine on the Great Lakes as on the Atlantic. If I remember rightly, in the year 1922 there was an announcement that lake rates would be decreased, and the ship owners along with the Canadian railways called a meeting in Toronto to consider ways and means of maintaining the rates. Just about the time the Toronto meeting was called, rumour reached them that the American roads also intended reducing rates. A meeting was then called in New York at which there were representatives of the Canadian railways, the American railways and the steamship companies, and it was agreed that the American companies should not reduce their rates. So that governmental control, so far as it applies to railways and to the Great Lakes, evidently is a control which keeps them from reducing rates; and if we were to establish that sort of control on the Atlantic I doubt whether we should be able to relieve the situation which now exists.

9 p.m.

In all fairness, it seems to me, we should inquire the personnel of the companies who comprise the combine, inasmuch as they have definitely started out for the purpose of handicapping British industry. I do not think

the statement can be challenged that they are largely British companies, consisting of men who unquestionably are high up in social and financial circles. And it seems rather a startling suggestion that they would go out and deliberately fix rates which would handicap England and would work to the benefit of other countries. I think if we delve into this great question to any depth at all we will probably find that there is something else besides the combine which is affecting these rates.

When we get down to the Great Lakes rate portion of the route, we have about a half dozen different routes which grain coming east may take. It may go down to some of the American ports and over American railroads, or may take the all-water route to Montreal, or may take the lake and rail route. We find that each year over fifty per cent goes by the American route. I do not think there is any question that the road which will carry the cheapest gets the grain. Some evidence was submitted to the committee which investigated national railways and shipping which I think shows one reason for the great percentage of our grain going out over American routes. That evidence was to the effect that grain would follow whichever route offered the best rate. If the rates are cheaper going by the American ports than by the Canadian ports, and if we give effect to this agreement and subsidize Canadian products other than grain, would that not be an incentive for the greater percentage of our grain to go by the American routes? I think, if we are going to subsidize only Canadian products going by Canadian ports, that we are actually building up a proposition which would probably divert more grain to the American routes. With reference to the ocean transport, I have before me the evidence which was submitted to the committee to which I referred as to the results of the operation of some of the merchant marine boats. The eastbound part of the first cargo paid $30,555.37. The westbound cargo paid $3,314.94; and the entire cargo paid $33,869.30. I would suggest that, as far as that trip is concerned, the reason that we have a high rate going to Europe is that we have no cargo coming west. If we had a cargo both ways there is no question but that the rates going east would be very much lower. This is not the only case. A long list is given here and they are pretty much on the same line. Take for instance the one that is labelled No. 16, I believe it is the Commander. The gross earnings of that boat eastbound were $38,132.74 and westbound $1,061.38. The boat was actually coming back practically empty. It would be impossible to have a low rate coming westward with a cargo amounting to a little over a thousand dollars, and apparently the only thing we can do is to increase the eastbound rates to pay for the ballast which they must carry when they are coming west. So much for the Canadian National. I have the Canadian Pacific Railway reports here—and they are sometimes spoken of as being an authority on shipping. The reports of the merchant marine show that it is all ballast coming one way. This Canadian Pacific report reads:

> The Canadian Pacific steamships, in common with all other ocean lines, have in 1922 passed through a trying period. The large amount of ocean tonnage which the owners have endeavoured to keep in commission has naturally created a situation seriously affecting revenues from transportation both as to freight and passengers.

And again in 1923 they report:

> The Canadian Pacific Steamships Limited, have in 1923 continued to show improvement in service and in revenues although many factors which militate against satisfactory operating results yet prevail. The world's ocean tonnage still exceeds trade requirements and financial conditions in Europe and labour unrest in Great Britain have had an adverse effect on steamship traffic.

Taking the two together their arguments would show that this trade is unbalanced and that there is too much shipping in operation, and I do not believe that a ship subsidy is going to relieve or cure that situation. I believe we will have to get something different from that. I am disposed to think that we do not give quite consideration enough to what might be done in the matter of negotiations between the government and these companies, and I am encouraged to read in that connection an item from the Commercial Intelligence Journal March 7, which says:

> Mr. A. E. Bryan, Canadian trade commissioner in Kobe, has for some months past been co-operating with western cattle raisers, the federal Department of Agriculture, and the various provincial departments in an effort to open the Japanese market to shipments of Canadian cattle. In this connection the government of Alberta sent a special representatitve to Japan to report on the possibilities of increased shipments to that country. His investigations substantiated the opinion of the Canadian trade commissioner that any development of the trade would be impossible at the transportation rate existing, namely $75 per head from Canadian ports to Japan. After discussion, successive reductions have since been made, to $50 per head, and to $37.50, the rate now quoted by the Canadian Government Merchant Marine and the Pacific lines.

Now here is an instance where rates have been reduced, according to this article, from $75 to $37.50. I do not think the article is quite correct. I have watched those negotiations with considerable interest, and I hope

the Minister of Agriculture will tell us some time what part his department took in the negotiations. I was under the impression the provincial government carried it out. I think the rate was formerly $100, reduced to $44 and eventually to $37.50. I maintain that that is just about as good or great an accomplishment as you can hope to achieve by starting up another company in competition with those that already exist. It is certainly worth trying. Mention was made the other night about the feasibility of taking over the Canadian Pacific Railway to work in conjunction with our merchant marine, and this new company which we propose to inaugurate. I should like to ask the government if, in the event of such an undertaking being arranged, would it be their opinion that they could use the anti-combine legislation to force the Canadian Pacific ships to come under a contract similar to that now proposed in reference to this subsidy. It seems to me there is a Canadian company that would be operating under Canadian registry, and it might be so that Canadian Pacific ships—

Mr. BRISTOL: The Canadian Pacific ships are under British, not Canadian registry. Therefore, what the hon. member suggests could not be accomplished.

Mr. KELLNER: I made the statement on the supposition that if the Canadian government took them over, unquestionably we could change that and they would then be operating under Canadian registry. What I was particularly anxious to find out was: Would this anti-trust law, in the opinion of the government, be elastic enough to cover this? If so, it would give us a very formidable array of ships, consisting of the present merchant marine, the Canadian Pacific and this Petersen line, if this measure is carried in the House. I believe, to those who sit in this corner of the House, the suggestion of taking over the Canadian Pacific makes probably the strongest appeal of all. We have for a considerable number of years been believers in government ownership, and I am disposed to think that this would meet with a hearty response from those who occupy the benches immediately surrounding me. There is one danger, I presume, in considering it at the present time, and I think the hon. member for South York (Mr. Maclean) should have delivered his speech on the electrification of railroads at the same time. Then he would have impressed the House with the danger of getting some out-of-date equipment which we might get if we were taking the railways over at the moment. I do not, however, presume there is very great possibility of our taking them over in the near future, and we shall probably not be embarrassed by that contingency.

In reference to ocean rates, I have before me a statement of the rates charged in 1923, from May to November, and I find that unquestionably the quantity of tonnage that was offered at any port was a big factor in connection with the rates. They varied all the way from six cents to nine cents during that year. I do not think there is any question that, before we solve this problem, we shall have, by some method or another, to equalize our trade. I might throw out this suggestion to the government: There has been a good deal of agitation from this side of the House, at one time or another, to make a study of European countries which have inflated their currency. I believe, if you will look over the countries that to-day are enjoying low rates, you will find that invariably they have inflated their currency to a certain extent. My argument in that connection is that, by that inflation, they are able to start an active trade in their country. Where the trade is, the ships are going, and where the ships are going, the rates are lower. So, in all probability before we shall settle this question to the best advantage, at least, we shall have to give that some consideration. In my estimation, it would certainly be worth while having a commission appointed who would be empowered to deal with this export business and who would be given the privilege of contracting for rates. When we were considering the combine on the Great Lakes, the feature which received the most prominence about that combine was the fact that two men were able to allot the entire cargoes that went on all those boats. Supposing we give a small commission that privilege in regard to ocean freight and allow them to contract for it, it would seem to me they could get a better contract than it is possible to get when every man is doing his own business.

In conclusion, I do not think, I would feel justified in supporting the resolution from what arguments have been submitted to the House. I think the amendment is probably a little drastic. The suggestion might be worthy of consideration, I do not know; I have not much faith in its accomplishing anything, but I would hardly go so far as the mover of the amendment and say that the suggestion is absolutely unworthy of our consideration.

Mr. E. B. RYCKMAN (East Toronto): Mr. Speaker, I am induced to intervene in

this debate because I asked the Prime Minister (Mr. Mackenzie King) across the floor if he approved this agreement, and his reply was to the effect that that was why the government signed it. I think the agreement is very prejudicial to the interests of the country. There are men of legal standing in the government, and it is impossible for me to conclude that that agreement was read over and considered by the lawyers in the cabinet before it was signed. My other reason for attempting to address the House is that I stated it to be my opinion that, in the final result, under this agreement the control of rates passed to Sir William Petersen and was not in the hands of the government. I hope to show this even to lay minds before I take my seat. This agreement interests me very much. I was attracted to it by what is no part of the agreement at all. It is a peculiar thing that upon a commercial agreement there should be an affidavit of execution. This is not done in the province of Ontario where the agreement was signed.

Mr. MEIGHEN: Nor anywhere else.

Mr. RYCKMAN: I thought: How did this come about? And then I noticed that the witness to the agreement and the maker of the affidavit was a judge of the Supreme court. It is suggested that Mr. Eugene Lafleur safeguarded the interests of the government in connection with this contract. I know Mr. Lafleur; I know that he is a master of the English language, and I know that this agreement was drawn by a literary sloven. It is obvious on the face of it. I also know that Mr. Lafleur is a distinguished jurisconsult, a man who understands how to draw an agreement expressing accurately the rights of the parties, and I say that this agreement was drawn by a drafting bungler. The affidavit is evidence of that. Does that affidavit serve any purpose whatever? None at all. Can any purpose ever be made of it? None at all. Sir William Petersen will never dispute the execution of the agreement and I do not think Mr. Thomas A. Low will. But supposing one or both did, you cannot prove the agreement by this affidavit. You have to call this Supreme court judge of the Yukon into the witness box and there he subjects himself to cross-examination.

I pass from this peculiar affidavit, following as it does an affidavit of execution under the Ontario statutes, relating to short forms of conveyances and mortgages, which is given a peculiar statutory efficacy, to the recitals. Notwithstanding the new law enunciated tonight by the Minister of National Defence, that the recitals control the construction of a document, I desire to say that the draftsman who wrote these recitals had a good deal of impudence. What did he do? He made Sir William Petersen agree that he understood about the conditions of the agricultural, manufacturing and industrial people of this country; and he made Sir William Petersen say that there was a combine. Here is a man who, no doubt, has been dealing with the alleged combine at one time or another saying, "It is in the interests of Canada that this thing should be done; there are combines, I know it, and therefore I agree with these recitals." These recitals, which have nothing whatever to do with the agreement, occupy about one-fourth of it. Consequently I was naturally prejudiced against the document because I knew there was propaganda in it. It goes forth with the blazing sanction apparently of a Supreme court judge, and then there is this propaganda of the recitals. Last night the Prime Minister asked: "What is the reason of the propaganda that has been undertaken by the steamship companies in opposition to this agreement? How fearful they are," he said, "of the great damage to be done to them by this David's pebble that we are throwing into their ranks!" They had to answer the propaganda in this agreement, published daily throughout the country; they had to answer the Preston alleged case; and they would not have been self-respecting men unless they had done so. Anything that has appeared in the newspapers or otherwise from the shipping interests has been to give the lie to the Preston report and to contradict the propaganda which the government itself has placed in the agreement and broadcasted so widely. I want to say at the outset that if there is any possible way of getting cheaper transportation rates on the ocean, on the land or in the air, I am all for it. No member of this House can be of stronger mind in that respect than I am, and I believe that is the attitude of this section of the House. It is absolutely unfair to impute that we are standing for the maintenance of a combine which is not in the interests of the people.

In passing, I am interested to revert to about twenty years ago, when, a government being in power in Ontario adverse to the party to which I have always belonged, and there being in charge of the administration of justice at Ottawa a minister of the party of the Prime Minister, a prosecution was undertaken, called the Plumbers' Supply Case, in which I happened to play a part. Men who were engaged in the supply of plumbers' goods were charged under, I believe, section 496 of the criminal code with forming an improper combine. The case

was heard by the late Mr. Justice Clute, and in the course of the testimony it developed that the combination was distinctly in the interests of everyone who had anything to do with the supply and use of plumbers' goods. Two of the men charged were found guilty; they practically admitted the charge; they were fined. The case was taken up with the Liberal government, and they said, "Here, this is striking where the blow should not be struck, this combine is in the interests of the people of this province;" and no further prosecution followed.

Coming to the agreement itself, as I say, I was led to examine it narrowly; and notwithstanding what the Minister of National Defence has just said, implying that you might get an agreement which lawyers might determine one way, but if they lived down by the sea where he does, or if it dealt with shipping, they would find that they were mistaken and that what they would naturally expect to follow from the words used did not follow but that the words had some other cryptic and unexpected meaning;—I say, Mr. Speaker,—and I would not assert it unless I absolutely believed it, and I am sure it would not do me very much good professionally, otherwise—that this contract has not only one "joker" but half a dozen or more, and that these "jokers" are inserted for the purpose of withdrawing from the attention of the public and of this House the actual effect of the agreement itself. I do not wish to cover the ground that was traversed this afternoon, but section 1 of the contract permits of its assignment to any German, United States or other foreign company. The draftsman protecting the high contracting party, might very well have said that the assignment should be approved of by the minister. The minister ought to know, this government ought to know, the House ought to know, the country ought to know who are the people getting the money that the country is paying. Section (a) of clause 1 has been read before; it provides:

> That the contractor shall build, equip, provide, establish and during this contract continue and, in the manner hereinafter mentioned, operate a regular shipping service between the ports designated.

I submit that there is no question at all about the legal interpretation of the phrase, "operate a regular shipping service." The duty is placed upon the contractor of establishing the service; he therefore can say what it is to be; afterwards he operates it. What does "regular" mean? I submit it is simply grotesque to say that it bears the meaning given to it by the Minister of National Defence. His words were, "A regular shipping service is a continuous service throughout the year." I wonder if those who pay their rent regularly on the first of the month think the "regular" part of it is a continuous payment and not a payment at fixed monthly intervals. The judicial meaning—and there will be no trouble to satisfy even the Minister of National Defence upon this—the judicial meaning of "regular" is "recurring or repeated at fixed times.". And it is true in the case of any service contract, as the minister can be well assured. That being so, the duty falls upon Petersen of establishing a shipping service, operating at certain recurring intervals, and when he has done that he has fulfilled the requirements imposed upon him by section (a) of clause 1. If he decides to give a monthly service, can anyone deny him the right to do so? Can the government say, "Oh, we expected a weekly service?" Petersen's answer would be: "I am very sorry, but you entered into a contract with me under which I was to establish and operate a regular shipping service. The shipping service that I have decided to establish is a monthly service. If you wanted anything else you should have stipulated for it; as you did not stipulate for it, and the duty being given me under the contract of establishing it, I am entitled to establish a service with such recurring periods as I see fit. That is my full duty under the contract, and that is all you will get." And if the government try to get back at him by saying that he may not use his boats in any other service, Petersen's answer will be: "You did not provide that I should not engage in any other service I have established that regular service and when I am not on that service I can do anything I like except work for the combine. I can charge whatever I like. I am independent of the combine; I can ply my boats in other services, get the avails from them and put them in my pocket, and you cannot say one word about it." What answer could the government make in a court of justice to a claim made by Petersen in this connection? The Prime Minister says that not five cents will go to Petersen until he fulfils the terms of his contract; that payment is after performance. But when Petersen establishes that monthly service, at the expiration of the very first month he is entitled to demand from the government the full amount of the monthly subsidy, and if the government does not pay it to him he can take his case into court and recover the money. It would have been easy to add at the end of section (a) a clause something to this effect:

—and the ships engaged in such service shall be engaged in no other service without the consent of the minister.

But that was not done. In the next place we come to clause (d). I really must repeat this, for the sake of emphasis:

That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix transportation rates on all commodities from time to time.

I submit that whoever was looking after the interests of the crown might have added something to this effect:

—and the contractor shall carry all freight offered at the said fixed rates, provided always that he has cargo space available therefor.

There is a provision that the control of rates is with the government; they are to fix prices. But if in a bookstore the price of a book is fixed, I need not buy at that price; I can say: "I will pay so much less and you can take it or leave it." So in this case: I can employ myself on other services; it is not a hardship to me if I decline to carry at the rate you fix. If the rate is fixed at such an amount that Petersen does not want to carry, then he can decline to carry and the government will not get the service. The farmers may be clamouring for shipment of their wheat, and the government is compelled to go to Petersen and say: "We are paying you a big subsidy; we want you to carry this wheat." Petersen says, "I am not going to carry it at the price you fixed." The government may then ask at what price he will carry it, and Petersen will say: "If the government want their commodities carried they must pay me my price, otherwise the carrying will not be done." So in such cases the subsidy will be earned although the goods are not carried.

The effect of clause 3 of the agreement is to give Petersen the benefit of the maintenance of a service in excess of ten ships if he wants to establish it. The government has no control over the number of ships that he may put in the service. The contract says:

The subsidy aforementioned shall be increased or reduced as the case may be in proportion to the number of ships operated and maintained by the contractor in the service aforesaid from time to time and such increase or reduction of subsidy shall be added to or deducted from the monthly payments hereinbefore provided for in paragraph two.

You will note that Petersen is given the right, by clause 3, to increase, whereas in clause 6 the government is given the right to increase. It is important, in the interpretation of these two clauses, to remember that the provision as to the subsidy is twice stated. If it does not mean that Petersen is to have the right to increase, with an increased subsidy, and that the government is to have the right to increase, under clause 6, with an increased subsidy, then the repetition of the provision as to subsidy is the worst kind of bad draftsmanship. It is a mere vain repetition; it has no purpose at all in the document.

As to clause 4, I wish merely to refer to two expressions. It says, "shipping services to be established by the contractor." That is the only place in the contract where the plural "services" is used. These services are to be established by the contractor, and following, as it does, clause 3—and, I submit, in explanation of and consonant with it—Petersen has the right, even against the expressed wish of the government, to increase the number of ships he has under subsidy. The word "loyally" is not a word of art when used in an agreement of this kind. The draftsman might just as well have used the word "righteously," or "warmly" or any other expression of that kind.

The Prime Minister declared in his speech that the government had the right to say what commodities the contractor should carry. Then why insert clause 7, wherein the right of the contractor to carry nitro-glycerine is negatived? Clause 9 merely says that any voyages Petersen undertakes, in the supposed case of the establishing of a regular shipping service of one boat a month, shall be prosecuted with "all possible speed and despatch."

Now, Mr. Speaker, a sad comment upon this agreement is found in the agreement of 1897 between this same gentleman and the then government. That agreement is found in volume 2 of the Debates of the House of Commons, of the session of 1897. Whole clauses are picked out of the 1897 contract and inserted in this agreement, but whoever was acting for the government took very good care that the clauses which would place a burden on Petersen were not taken out of that old contract and inserted in this agreement.

Let us see what the agreement of 1897 provided. It provided that the service was to be a fast weekly service. First of all, there was to be a fortnightly service, then a weekly service, and when the fortnightly service was instituted, one-half of the subsidy that the weekly service would afterwards claim was given. The terms and conditions as to carriage were to be "as the Governor in Council deems expedient;" that is left out of this agreement. The days and times of sailing were subject to the approval of the minister; that is left out of this agreement. The minister reserved the right, on notice, to change the time of sailing; that is left out of this agreement. The 1897 agree-

ment provided that Petersen, or Petersen, Tate and Company were not to receive any other subsidy or aid, and that they could not engage in any other service; that significantly is left out of this agreement. There was to be no discrimination against Canadian railway rates. Now while I am no advocate of rights of railways, I can quite see the great damage that may be done to this country if any one company is allowed to be discriminated against by the government of the whole country. Then in the 1897 agreement there are guarantees that are specifically provided for. First of all, there is a deposit of £10,000; then £10,000 in securities is to be put up for the faithful performance of the agreement.

Mr. Petersen fell down in the performance of that agreement, but nevertheless he got back his money and his securities, with interest. After he had failed to perform that agreement, and when under all the rules he had lost out, and that money he put up was the government's, yet he begged that the money might be restored to him. Can we expect therefore, Mr. Speaker, that when Petersen is in control this country is going to get the spirit of this agreement carried out unless the letter gives this country exactly what it thinks it is entitled to? In this connection let me ask what would Mr. Petersen say if we asked him to be generous and to carry out the spirit of this agreement. He would say: On the night before last in this very House the Prime Minister said that he was looking after the shippers of Canada, that he was not looking after Petersen or what Petersen might pay in dividends, that he was looking after the interests of those who were going to ship. If the Prime Minister takes the position publicly before the country that his only concern is not with Petersen, but with those he says he represents in this contract, I submit we shall get nothing but very cold justice from Petersen indeed—just what the courts interpret this agreement to mean, and no more, when we have any issue with Petersen.

The agreement of 1897 also provided that the ships in this regular service—the word "regular" is used there—were not to call at any foreign port. Further penalties were also provided, and really, not to take up the time of the House unduly, I feel that I ought to read these clauses in view of the absence of any similar provisions in this agreement. Of course, Mr. Petersen had had experience of how hard it was to live up to the provisions put upon him in this agreement, and what do we find? I am quoting clause 16 (Hansard 1897, vol. 2, p. 3983):

[Mr. Ryckman.]

Provided always and this contract is made and entered into on the express conditions following, that is to say:—

Firstly,—That subject to the conditions hereinafter contained, there shall be paid to Her Majesty as liquidated damages agreed to by the contractors,—

This is what Petersen was glad to do apparently at that time in order to get the contract. It goes on:

(a) The sum of five hundred pounds on each occasion when the contractors fail to provide at the appointed Canadian or British port a mail ship in accordance with the contract ready to put to sea at the appointed time or when such mail ship shall not actually put to sea and proceed on her voyage at the appointed time.

(b) A further sum of one hundred pounds for every successive twenty-four hours which shall elapse before such mail ship shall actually put to sea and proceed on her voyage, but so that these sums shall not in the aggregate exceed by more than one thousand pounds the proportionate part of the subsidy applicable to a single voyage.

(c) On each occasion when the contractors fail to perform a voyage between the appointed Canadian and British ports within the stipulated time, there shall be forfeited and paid by the contractors to the minister the sum of eight pounds ten shillings for every hour or portion of an hour consumed on such voyage beyond the stipulated time, provided always that the total sum thus forfeited shall not exceed the proportionate part of the subsidy applicable to a single voyage.

Mr. Speaker, the contract of 1897 contained in paragraph (a) of section 1 the provision that the contractors should:

Build, equip, provide, establish, and during this contract to continue and in the manner hereinafter mentioned, a regular steamship service between the port of Liverpool and the Canadian ports hereinafter named, of four steamships—

and so on. Why Mr. Speaker, were these penalties, these regulations, these directions, these covenants of Mr. Petersen, left out of the contract we have before us? Was it in the interests of the crown paying this subsidy? And by the way, the subsidy has been increased. This large sum of money is paid monthly under contract, which I submit gives Sir William Petersen the right to do anything and everything almost that he decides to do so long as he establishes a regular shipping service and does not become a part of what they call the North Atlantic combine. If this is not so, it can be easily found out. I would ask that the law officers of the crown, as this debate will probably not be over until to-morrow or later, be asked to report whether the interests of His Most Gracious Majesty King George V, the party of the first part of this agreement, are adequately safeguarded in this contract the House is asked to ratify. If that is not desired, and I can quite well understand why it should not be desired by those who have control of such matters, I would call upon the Toronto Globe. I have

been a subscriber for many years to the Toronto Globe. I do not agree sometimes with the fiscal policies it advocates, but I have found that the Toronto Globe was at times public spirited, and I do not see why the Toronto Globe, which will have either to approve or condemn this agreement, should not ask its counsel to take this agreement, and if it will help at all, this other agreement of 1897, and place them side by side, and then give his opinion whether the interests of the crown are safeguarded in this agreement which parliament is asked to ratify. In the course of the speech of the hon. member for East Calgary (Mr. Irvine), I believe, the Minister of Trade and Commerce (Mr. Low) said that he would withdraw the resolution if what the hon. member said was correct. The hon. gentleman's statement was that this contract was tantamount to taking money out of one pocket of the country, placing it in another, and hypnotizing the Canadian people into the belief that we were making progress.

Mr. CHURCH: Robbing Peter to pay Paul.

Mr. RYCKMAN: It is worse than that. I would say that it is taking money out of the pockets of the people of the country and putting it into the pockets of Petersen without any benefit to the country. I would apply to this resolution the words used by the Prime Minister (Mr. Mackenzie King) in relation to the amendment. And while he characterized the interpretation put upon the contract by my right hon. friend (Mr. Meighen) as wholly inaccurate and absurd, I think we are entitled to have an expression of opinion from someone not connected with the government, not connected with any party in this House, who will give a disinterested view of the merits of the question and state exactly what the contract really means. I am satisfied as to what the result would be if such an opinion were asked. This resolution says that to give the government of Canada control over certain ocean rates "it is expedient", and so on. I think it is apparent to hon. members, and to all who want to act fairly on their own judgment, that what is proposed in the subsidizing of these ships will not result in any governmental control of Atlantic rates. That being so, I appeal to hon. members, after considering the contract carefully and comparing it with that of 1897, to vote against an agreement which would be so much more in favour of the contractor than was the agreement under which he made default before.

Mr. E. J. GARLAND (Bow River): Let me at the outset make my position clear so far as the combine is concerned. I have never had any doubt, from the first time I had an opportunity of learning anything about steamship rates, that a combine has existed, and possibly because I happen to belong to a class that is accustomed to exploitation by all and everybody, I came to the conclusion that it was a pernicious combine. And I still believe it to be pernicious. I do not think it is in the interests of trade, or agriculture, of business generally, that the control of rates should be in the hands of private individuals, any more than I believe that the control of public credit should be a private affair. Nor have I heard any hon. gentleman in this House so far urge that a combine does not exist. Some may have inferred that from utterances in the course of heated debate, but I have not heard anyone yet dispute the fact. Anyone who would do that has hardly given the subject the study which the resolution now before the House must have suggested to him.

I find that a combine has existed on the north Atlantic for something like fifty years, commencing about the time steam was replacing sail. At that time rates began to rise and they have risen fairly steadily ever since. Investigations have been numerous, joint inquiries have been held, but in all the inquiries that I have looked into I have failed to find any single one that was carried to a satisfactory conclusion. I do not think this country has ever entered with Great Britain or any other country into a joint conference on these matters and come to a conclusive decision as to what was the best method of controlling rates. I think that something along that line should be done; we should at any rate make the attempt. I will come to that phase of the discussion a little later.

The recent renewal of investigations has simply cast light on a subject that had become shadowed because of the lack of public interest in it. Economic conditions becoming oppressively burdensome on the people, we began to hunt around for the various causes of trouble; and so in the committee on Agricultural Conditions which sat in 1923, and of which my hon. friend from Brome (Mr. McMaster) was so distinguished and ornamental a chairman, a glaring light was thrown upon the existence of this North Atlantic combine. The subject had also been referred to either in 1920 or 1921 when, before a special committee of this House investigating the Canadian National Railways and the Canadian Government Merchant Marine, Mr. Teakle was examined. As hon. members know, Mr.

Teakle was the general manager of the merchant marine, and in answer to a question put to him by the hon. member for Marquette (Mr. Crerar) he admitted the existence of a rate conference in Montreal on which representatives of the Canadian Government Merchant Marine were sitting in. We heard no more about the matter until 1923. I find, looking further back, that the Board of Trade of Great Britain had investigated this subject in 1910 when they submitted a report, the material part of which has been referred to by hon. members to my right, as well as by the Minister of Railways, and been placed on Hansard. That report was to the effect that a combine existed, and that it was advisable that there should be a joint inquiry with Canada in regard to it. In 1913 the hon. member for West York (Sir Henry Drayton), then chairman of the railway commission, was sent to Great Britain and in view of the conclusions arrived at by the Board of Trade he suggested that a joint inquiry was advisable. He attempted to have such an inquiry set on foot. It was discovered however that there was in existence a body known as the Dominions Royal Commission which I believe was investigating somewhere around New Zealand and which was expected shortly to be in Canada. He interviewed the chairman of that commission who happened to be in England, and he recommended that if the commission intended taking up the subject of a trans-Atlantic conference the matter could not be left in better hands. It may be noted that even at that time it was admitted that large increases in rates had taken place and that, as well, there had been a falling off in the rate of imports from Great Britain to Canada. The investigation suggested was not to be confined to the freight situation but was also to take up the whole question of passenger rates. The hon. member for West York was not successful in securing this joint inquiry for the reason I have stated. He did on his own account investigate matters to some extent and he made a very comprehensive report to the Board of Railway Commissioners on his return. The following action taken by him I only know from information through other people. Now let me point out to the House that I have never been a friend of the Tory party, and I hope I never will be a political friend of the Tory party. I have no intention I assure you, of ever allying myself with a party with the reputation and characteristics which that party has. But let me in fairness say that in my opinion Sir Henry Drayton brought back an infinitely fairer and more comprehensive report, and did more in England at that time, to remove combine evils than the recent delegate of this government did when he was in that country. At that time there existed two great evils of the combine, the children of the system. One was the "fighting ship" and the other was the deferred rebates clause called the "loyalty clause." Whether it was the result wholly of Sir Henry Drayton's intervention or not I am not sure and have not been able to ascertain. I know the United States was conducting an inquiry at that time into the same matters; but it is enough for us to know that during the year in which Sir Henry Drayton reported to Canada those two great evils were removed so far as North Atlantic conferences were concerned. What was this "fighting ship"? It was sort of privateer, especially built for the service required of it, that of competing with any lines on trade routes on which non-conference ships were operating with the effect that the non-conference line of ships was either driven out of business or forced into the combine. That was a most unfair form of competition. That is gone. At least no trace of it was found by the chairman of the Agricultural Conditions committee in 1923. The "loyalty clause" was simply an arrangement with the shipper that if he would give all his business to a conference boat, it did not matter which line of boats, provided the boat was in the conference, he received a ten per cent rebate of the cost. That was regarded as a most unjust and unfair form of competition and in restraint of trade. Those two evils have been removed so far as the north Atlantic is concerned.

The report we have before us, and upon which undoubtedly public opinion is expected to develop in support of the subsidy, is of little value. Everything that is in it that is material to the case was discovered by the special committee on Agricultural Conditions, and indeed by previous investigations. I wonder why the government appointed Mr. Preston. I know nothing about him. I have nothing to say about his character. I know nothing of his political career, but the question occurred to me as a fair and impartial examiner of this matter, why appoint Mr. Preston? Were there not plenty of qualified men within the ranks of our own civil servants, men who had experience, men in the Trade and Commerce department, in the Customs and Excise department, in the Department of Marine and Fisheries, men in various other departments, who had technical knowledge, and whose time was being paid for in any case? I have never heard any hon. gentlemen

opposite explain why it was necessary to go outside the service, and by so doing hand the plum to an outsider, which plum undoubtedly would have helped to stimulate the brain and the initiative of members of the civil service itself. Not only that, but I submit in passing that it would have accorded much better with the avowed policy of economy on the part of this government had it made an appointment from the civil service.

As far as the report itself is concerned, I cannot afford to waste much time on it, for the reason that has already been stated quite frequently that the recommendation of the government is not based upon that report, but that it is based upon the report made by my hon. friend the chairman of the Agricultural Conditions committee. Let us therefore consider the contract itself, and although I cannot attempt to give it the deep legal examination that hon. members to my right have given it, I can view it in the light of the ordinary man of the street, the business man. Ten small boats are going to be used by this government to control rates. I want hon. members now to imagine the export trade of Canada, a huge trade, then to imagine the capacity of ten boats, and ask themselves this question, how much of the total trade of Canada can ten boats carry? Certainly a very small proportion of it. How much of any single commodity can ten boats carry? Probably a large quantity of any single commodity. But the government may set rates till it is black in the face, and it cannot fix the rate for traffic unless it can establish competition. There is no use whatever in the government stating that this contract is to enable the government to control rates. The government cannot control rates unless it controls enough space to handle sufficient of each of the commodities shipped from Canada to create competition in the rates charged on those commodities. I hope that is clear, because I want to be fair in this matter. I welcome an interruption at any time, if I am not fair.

Mr. PUTNAM: Would the hon. gentleman concede that these ten ships might potentially be a factor in reducing rates?

Mr. GARLAND (Bow River): Potentially? Well, my imagination could even soar that far, but it would be a little strain upon it.

Mr. PUTNAM: The hon. gentleman is fairer than I thought he was before I asked the question.

Mr. GARLAND (Bow River): I am glad I have convinced my hon. friend opposite that I am fair. I may strain his imagination before we get through.

Mr. PUTNAM: I merely admitted symptoms of fairness in my hon. friend.

Mr. GARLAND (Bow River): There is one other point that occurs to me as a result of the interruption. The subsidy is to be paid annually, we presume, for ten years—$1,350,000. But we will assume that one or two more boats are added and that we are paying two million dollars per year for ten years, making twenty million dollars; and at the end of ten years we decide to stop the subsidy—where are we? We have spent twenty million dollars, and Mr. Combine rears his head as strong or stronger than ever before—at the end of ten years of experimentation and an expenditure of twenty million dollars. It is ridiculous for hon. gentlemen in any part of the House to talk about smashing the combine. Combines cannot be smashed. They can be absorbed but cannot be smashed. Under the present competitive commercial system, a combine is a natural growth, and things that are natural cannot be destroyed even by subsidies. Now imagine the situation: Here is a combine. To what extent it would control rates even I have no power to demonstrate to this House. But I will use the words of Mr. Preston himself:

> The North Atlantic steamship combine is only one section of the steamship conference now endeavouring to control all the great shipping interests of the world. . . . The object in all cases is the same. It is not unreasonable to infer that it is the control of the ocean commerce of the world, fixing freight and passenger rates solely in the interest of those controlling the vast tonnage and shipping traversing these waterways.

And ten boats of moderate tonnage are setting out to smash a combine with all those interlocking interests powerfully supporting it on every hand. The thing does not appeal to me as being reasonable. I am anxious that control of rates be established. I do not think any hon. gentleman in this House is not. I would desire to see effective rate control established to-morrow, and if I thought for one instant that this subsidy would give effective control of rates in the interest of all Canada, I would even overcome my natural instinct against subsidies and support the government on it.

Mr. ARCHAMBAULT: What would the hon. member suggest to control rates?

Mr. GARLAND (Bow River): I will come to that a little later if the hon. gentleman is patient. It is ridiculous to talk of smashing a combine of this size by creating a competitive system with a subsidy and ten small

boats, very ordinary boats, indeed. A moment ago I asked a question: Who was going to benefit? We have to export annually from Canada overseas, principally by the Atlantic ocean, an enormous quantity of grain and a fairly large number of cattle, so far as the agricultural population is concerned. I am going to make this a sectional matter for just a moment, because hon. members opposite have turned their faces to this corner of the House and made appeals to us on the ground that this would help agriculture, help the cattle business, help the grain business, and hon. members to my right have attempted to show us that it would not help either of these. Wheat is out of the conference altogether. It is subject to competition, so subject to it that the fluctuations in cargo space for wheat are very striking. An examination of the rates during last year will reveal a spread of all the way from nothing to thirty-four or thirty-five cents a bushel. Thirty-five cents, I think, was the limit. The Prime Minister states that he is going to control all rates. I want to ask him if it is his intention to control the rate on wheat. If it is, I want to register my unalterable opposition to his so doing, unless it be a maximum rate subject to fluctuations below. What would be the situation we would be in? We would be in much the situation that we suspect we are in as regards the railway commission at the present time. We have a strong suspicion that rates on grain should be lower but are not lower because the rates on other commodities must be low. If this government control of steamship cargo rates is going to involve also the control of rates on wheat, in other words to take the wheat rates out of competition and place them at some lined level, I regard that as a most sinister proposal. Let me call the attention of the government to the remarks of Mr. Preston on this very matter, at page 22 of his report:

> The fluctuation in the cost of transporting wheat between Montreal and Liverpool may be seen in the following schedule, compiled from reports published by the Dominion Statistical Bureau.

Note the following:

> The range of freight charges on wheat from five cents to thirty-five cents per bushel offers a problem to which profitable consideration may be given, if possible, of securing more stable freight rates.

The whole report was written with a view to breaking the stable freight rates of the combine and creating competitive rates, and Mr. Preston suggests in this part of it that wheat and wheat alone should be subject to stable rates. I do not like the look of it, and if the government proposes to fix wheat rates and by raising, even a little, the average price for transporting wheat to Liverpool or anywhere else, in order to afford lower rates on other commodities, I am absolutely opposed to it.

Let us take the cattle situation just for a moment. I find that the Canadian Pacific Railway Company were invited to handle cattle, and they refused to do so on the ground that the traffic was not profitable. We are told, however, that the traffic must be profitable because the rates are so high. That may be true, but I have not yet, nor has the committee on Agricultural Conditions—and I hope my hon. friend (Mr. McMaster) will correct me if I am incorrect—received information that cattle rates are exorbitant. That they are too high for the business, I admit, but that the steamship lines are charging exorbitant rates on cattle has not yet been proved. If any hon. member wishes to dispute the statement, I await the disputation. If not, we will proceed. The Canadian Pacific will not handle the business at all and does not want to. We will presume there is no money in that business for the Canadian Pacific. I will take the report of the select standing committee on National Railways and Shipping of last year, and I will ask hon. members to look at pages 8 and 9 where Sir Henry Thornton is being examined:

> By Mr. Jelliff: Q. That does not cause you any additional expense?

That is referring to the tearing out of any structures for the transportation of cattle.

> A. No. Now, to go on with these various items of expense. Simmered down it amounts to this; it makes the cost of carriage per head $17.48, and the revenue per head at the present rate is $20, leaving a profit to the company of $2.52 per head.

That is Sir Henry Thornton's evidence last year.

> By Sir Henry Drayton: Q. Does that include all the items you have mentioned?—A. Yes.
>
> Q. And does that include a fair proportion of the fuel and other expenses of the voyage?—A. No, it is the bare cost of handling the cattle. We have not charged anything for operating the ships against these cattle. Perhaps we should.
>
> Q. It really puts itself in this position, that the difference between $17.48 and $20 will apply on the general cost of running the boat?—A. That is it.
>
> Q. And you find out afterwards whether you have made a profit or a loss?

Hon. gentlemen will note this answer by Sir Henry Thornton:

> A. It does not require a very wide flight of the imagination to see what happens, especially if you charged interest on the cost of the vessel. While I do not want anything that I say to be misinterpreted as an effort in the direction of propaganda for increasing cattle receipts, at the same time, generally speaking, $20 per head on cattle to the United Kingdom is not considered a high charge in the shipping world.

When we have evidence of that kind before us, we wonder at the temerity of hon. members who appeal to us, almost plead with us to support this subsidy because it will reduce, they say, the rate on cattle ten dollars per head. The suggestion, I submit, is absurd, although nothing would delight me more than to see such a reduction. Why do I not think it a possible solution of our cattle industry's troubles? In the first place, last year we exported about 63,000 head of cattle. Only ten boats would be handling this traffic and they can carry only a limited number of cattle, about 500 on an average per boat.

Mr. HOEY: Four hundred and twenty.

Mr. GARLAND (Bow River): We will put it at five hundred. The ten boats will have to handle the bulk of that business in three months because our cattle are ready to export during August, September and October. July, August and September are the better months. If we can get the cattle off then, what do we hit? We hit that period when the grass-fed beef of Ireland and Scotland are going on the British market; we reach the market at the worst time of the whole year; we hit a falling market. That is one reason, in my opinion, why the transportation of live cattle to Great Britain is not a practical solution of the troubles of the cattle industry of western Canada.

Another reason that I offer is that Mr. Petersen cannot handle our cattle. He is going to have to handle 63,000 cattle in three months. Why do I say that? Because, Mr. Speaker, if he has to handle our cattle at a loss—and he will have to if Sir Henry Thornton is to be believed—then he will have to handle all the traffic, because nobody else will handle any of it. That must be obvious. If he is going to handle all of it, then the government will have to undertake another responsibility—the responsibility of orderly organizing the coming forward of the cattle so that they will reach the boats at the proper time to be shipped and in proper condition. It is a difficult problem to handle.

Mr. HOEY: They can provide more boats.

Mr. GARLAND (Bow River): Yes, and up goes the subsidy; and it will go up and up illimitably. I say again, it is absurd for the government or anyone else to claim that they can reduce the cattle rates $10 per head unless at the cost of the taxpayers of Canada.

Mr. CARROLL: It is said that the cattle trade cannot stand a rate of $20 a head from here to the Old Country; that is, it does not pay. If this rate is not lowered in some way, our cattle trade with the Old Country is gone, as I understand my hon. friend.

Mr. GARLAND (Bow River): No, not quite gone. You see, we are in rather a peculiar position in regard to the cattle trade. we built up a tremendous breeding stock during the war period; Mr. Fordney comes along with his little tariff, implemented subsequently, and our chief market in the United States is cut off. That is where the government should turn its attention, that is where our real market lies, in the United States. If a fraction of this proposed subsidy were spent in propaganda in the United States—I do not know the ethics of the matter so far as the government is concerned—it might help to open up that market, which would be a real solution. Another possible solution I would offer is, that if the government wishes us to continue shipping beef to England, we can ship it, I think, profitably as chilled beef, but I do not think we can ship it on the hoof and make a profit. I simply submit this in fairness to the Prime Minister. He was very enthusiastic the other day about the possibility of reducing rates on cattle.

Mr. MARTELL: Would the hon. member be satisfied with the government simply carrying on propaganda for the purpose of getting into the United States market?

Mr. GARLAND (Bow River): No, I should like them to try and get in there as well.

Mr. MARTELL: But the United States having control of their own market, how can the Canadian government get in there?

Mr. GARLAND (Bow River): Does the hon. gentleman mean because the United States has control over its fiscal policy?

Mr. MARTELL: Yes.

Mr. GARLAND (Bow River): Oh yes, I quite admit that; but I do not admit that this government can from any reasons of stilted pride afford to lie down on this job of attempting to secure reciprocal trade. I think that is one of the principal duties before the government, and in that of course will lie to a great extent a solution of many of our troubles, but especially so far as cattle are concerned.

Now, I have submitted a proposal with regard to the cattle industry that may at least hold some promise. I should like to ask another question: Why did the government pick out the Petersen firm for this subsidy? That has puzzled me from the very outset.

I have heard no argument from the opposite side why it was done excepting that advanced by the Prime Minister, which certainly was not conclusive—to the effect that this gentleman with four small boats had certain trade connections and certain docking facilities. That is the only reason, well put I admit, that I have heard as to why Mr. Petersen was selected for this subsidy; and it is not convincing to me. We have the Canadian National Railway system, and we are very proud of it. We have also the Canadian Government Merchant Marine, which is the complement of the railway system. That merchant marine cost us $70,000,000, and has a fleet of 57 boats. We have in addition another transportation system regarding itself as semi-public in character—I wish it was completely public in character—also controlling a magnificent line of ocean and coastal vessels valued at $66,000,000, and 60 in number, with a tonnage of 417,000 tons. In short, we have an investment, largely of Canadian capital, of $136,000,000 in our own vessels, the Canadian Pacific and the Canadian Government Merchant Marine. Why are those vessels not used? Has the government approached the Canadian Pacific Company? I asked the Prime Minister that question the other day, and he said that he had spoken to the president of the company three short days ago. And let me give that as the answer to his first question, the first great point he made: If this subsidy is going to be no good, if we are not going to secure control of rates, then why are the steamship companies making such a tremendous lot of noise about it, why are they howling their heads off, why is all this propaganda being broadcast? The answer came out of the Prime Minister's own mouth: As the result of that outcry he had himself gone to the president of the Canadian Pacific a few days ago with a proposition of a similar kind. Well, surely if they think they can get their finger in the jam pot with the others they are going to howl until they get their share. It does not require a very brilliant intelligence to recognize anything so obvious. If you want another reason, I ask you to stick a mouse trap on an elephant's tail and see if he does not roar. That is about the situation—a mouse trap has been stuck on an elephant's tail. And I do not wish to be unfair in this; that is the way it appears to me; and I have anxiously awaited any arguments on the part of the government to convince me otherwise, but not a single one has been advanced. True, we have heard from one member opposite that the Canadian Government Merchant Marine is no good—the ships are too small—they are too large—they are inefficient, and so on. Another hon. member on the government side says that the merchant marine is rendering too valuable a service on the routes it is now looking after to be withdrawn—if we did not keep the ships there everybody would be kicking—we have established trade routes which are important—we must keep the ships on those routes. I was interested in reading the other day a statement by the British Columbia Lumber and Shingle Manufacturers, Limited. It is true this organization is on the Pacific, but I venture to say the same praise exactly might apply to the Canadian Government Merchant Marine boats on the Atlantic that these men apply to those on the Pacific. The members of this organization consist of some thirty-eight companies, enormously important companies in British Columbia. I will hand the list to Hansard, if I may be permitted, because I think it should be on record.

The list is as follows:

Members of the British Columbia Lumber & Shingle Manufacturers Limited

Abbotsford Lumber Co., Ltd.
Brunetts Sawmills, Ltd.
B. C. Mills Timber & Trading Co., Ltd.
Canadian Robert Dollar Co., Ltd.
Cedar Cove Sash and Door Co., Ltd.
Eburne Sawmills Ltd.
Hanbury J. & Co., Ltd.
Maple Ridge Lumber Co., Ltd.
Premier Lumber Co., Ltd.
Rat Portage Lumber Co., Ltd.
Thurston-Flavelle Lumber Co., Ltd.
Commercial Lumber Co., Ltd.
Bainbridge Lumber Co., Ltd.
Genoa Bay Lumber Co., Ltd.
Moore-Whittington Lumber Co.
Sidney Mills Ltd.
Ellis H. M. Limited.
Shawnigan Lake Lumber Co., Ltd.
Victoria Lumber Co., Ltd.
Alberta Lumber Co., Ltd.
B. C. Fir & Cedar Lumber Co.
Campbell River Lumber Co.
Canadian Western Lumber Co.
Dominion Creosoting Co., Ltd.
Hammond Cedar Co., Ltd.
King Farris Lumber Co., Ltd.
MacMillan H. R. Export Co., Ltd.
Robertson & Hackett Ltd.
Bucklin Lumber Co., Ltd.
Timberland Lumber Co., Ltd.
Vancouver Lumber Co., Ltd.
Cameron Lumber Co., Ltd.
Lake Lumber Co., Ltd.
Lemon-Gonnason Lumber Co.
Straits Lumber Co.
Victoria Lumber & Manftg. Co.
New Ladysmith Lumber Co., Ltd.
Colpman Lumber Co., Ltd.

The letter was written to Senator Taylor last year when there was some agitation about the management of the Canadian Government

Merchant Marine out there, and it proceeds as follows:

> In the first place, we wish to state unqualifiedly that the lumber industry, which is the premier and most important industry in this province, has been greatly benefited through the co-operation of the Canadian Government Merchant Marine, and numerous instances can be cited where orders have been secured through the instrumentality of this organization. Some of these orders were obtained at times when they were vitally necessary to the lumber industry of British Columbia, which means that they were vitally necessary to the working population of this province.
>
> Previous to the inauguration of the Canadian Government Merchant Marine the lumber export sales to China, India and Egypt were very small, but since the Canadian Government Merchant Marine put on services to these countries a market has been opened up which gives an outlet for a grade of lumber which in the past has been very hard to dispose of.

And so on; the whole letter is one glowing tribute to the merchant marine and its management at that time. It is signed by R. H. H. Alexander, secretary-treasurer of the British Columbia Lumber and Shingle Manufacturers, Limited, Metropolitan Building, Vancouver. I have no doubt that dozens of other letters containing similar testimony could be produced. Let me, however, ask this of the government: If they contend that ten boats of meagre tonnage and the mediocre qualities of the ten proposed are to be such effective combine busters, would not one hundred and seventeen boats be infinitely more so? And they are Canadian-owned—the Canadian Government Merchant Marine and the steamships of the Canadian Pacific Railway Company. I am no particular friend of the Canadian Pacific Railway Company; in fact I have always delighted in taking a bang at them whenever the opportunity presented itself. But after all, we have the power to do what we will with these steamship services, in reason. Instead of going after them and browbeating them in this manner I think the government would have been better advised to approach the management of the Canadian Pacific Railway Company prior to making arrangement with Sir William Petersen and attempt to effect an agreement with them which would enable Canada to co-operate in breaking the combine, if it can be broken. It would have been better to do that than to make an arrangement with somebody abroad to have boats built abroad with Canadian money, subsidized by Canadian money—all to help somebody else; it can never help us. The thing certainly does not appeal to me. The whole proposal is so hazy, so absolutely incomprehensible, that frankly I look upon it as the hallucination of some imaginative gentleman who had a little poetic frenzy at the moment. Possibly he had been reading about David and Goliath, and conceived the idea that in the year 1925 we could break a combine by setting a mouse-trap on its tail.

Mr. PUTNAM: Perhaps he read about Noah's monopoly on tonnage.

Mr. GARLAND (Bow River): Yes; and I have also read about Samson and the Philistines.

Mr. MARTELL: Will my hon. friend permit me right there? The Canadian Pacific Railway Company got a charter from the Dominion parliament, under certain terms and conditions, to do certain things. Why should we interfere with them unless they are violating the criminal laws of the country? Having got their charter in accordance with the conditions pertaining at that particular time, have they not the right to manage their own affairs?

Mr. GARLAND (Bow River): I have not contended otherwise, Mr. Speaker—not yet; I may before I get through. Up to the present all I have suggested is that the government might have gone to the Canadian Pacific Railway Company before approaching Sir William Petersen and tried to come to some terms with that company, which, after all is largely our own. Hon. members have often referred to it in glowing terms as one of the great assets of Canada, a splendid thing, a thing of which we should be proud.

Mr. MARTELL: Would my hon. friend confiscate the property of any person or any corporation which has obtained certain rights from the federal parliament or from any legislature of this country? If the government of Canada want to make an agreement have they not the right to go to any firm or corporation they wish? If they do not go to the people that my hon. friend thinks they should go to, then is there any reason why those people should be compelled by act of a legislature or of this parliament to enter into such an agreement? In other words, does the hon. member approve of the principle of holding the big stick over people who have charters from the parliament of this country?

Mr. GARLAND (Bow River): I would ask my hon. friend to be so good as to allow me to dissect the several questions he has put, and to reply to them to-morrow. I could not hope to answer them to-night, and all at once.

The Prime Minister in the early stages of his speech the other day said, referring, to the resolution before the House:

> The resolution is the first necessary step to be taken by the government preliminary to the introduction of a bill to give the government control of ocean rates. The

resolution relates to the control of ocean rates; that is the principle underlying it, and hon. members in voting upon the resolution are passing on the important question whether or not in their opinion the government should undertake to control ocean rates. Whether the method which the government is taking to control ocean rates may be effective or not is a subject which, I think admits of debate.

I think so; I will agree with the Prime Minister there. There is no doubt about it; but if it does admit of debate, of discussion, of alteration, or possibly of total elimination, why are we asked now to vote upon it? The Prime Minister says we are simply voting on the question of control. If I could convince myself that that was all we were voting on, I should be only too pleased to vote with the government. But this House is governed by certain rules—and mind you, I think a good many of those rules could be amended. I do not like some of them—they hamper us; they are restrictive from the point of view of modern business methods. For example, there is one rule that prevents me from expressing my real opinion on this matter.

As I understand it, the motion before the House is that the Speaker do now leave the chair for the House to resolve itself into committee of the Whole on a certain resolution. The amendment before the House is that the Speaker do not now leave the chair but that the House resolve itself—and so on; I need not quote that. Frankly, with all kindness to my friends to my right, I do not think they have been very constructive. I do not think there is anything in the amendment which I could support, with the exception, and this is my personal opinion, on the evidence so far produced, that this report of Mr. Preston's and the policy of the government are ill advised, costly and futile. To that extent I can agree with the amendment. But as to the proposal which it offers, co-operation in joint inquiry with other portions of the empire—well, I hate to think that we lack sufficient intelligence to find a solution before such a conference could decide upon the subject. So that so far as the amendment is concerned I am afraid I shall have to vote against it.

As to the motion itself, what does it say? That the Speaker do now leave the chair for the House to resolve itself into committee of the Whole on this resolution—and I will ask hon. members to listen to the opening words of the resolution:

> Resolved, that to give the government of Canada control over certain ocean rates it is expedient to ratify and confirm the agrement between His Majesty and Sir William Petersen.

If the resolution simply read:

[Mr. E. J. Garland.]

> Resolved, that to give the government of Canada control over certain ocean rates it is expedient that this whole question should be referred to a select standing committee for consideration and recommendation—

—then we could vote for it. But it goes further than that; it states specifically that the control which the government says it wants to secure is control by virtue of an agreement between this government and Sir William Petersen. Now the Prime Minister, whose kindness in the matter I appreciate, told us that we did not necessarily bind ourselves to the subsidy in voting for the resolution. I cannot for the life of me see how he can excuse us from voting for the subsidy if we vote for the resolution, and if any hon. gentleman opposite speaks after me I will be very glad indeed if he would release my mind from this understanding, because I would be only too willing to support the government in further prosecuting their investigations in the hope of arriving at a solution. But as it stands I am hampered. Suppose we accept his statement, that this is a motion that the House now resolve itself into committee of the Whole. Once we get into committee of the Whole, where are we? We are in a trap absolutely, those of us who do not think this is a practical proposal, those of us who are opposed to subsidies in principle. We are in a trap which can only be opened for our escape by the government itself. And what is the trap? The trap is this, that the second reading of the resolution determines the principle of the resolution; that is as I understand it. The second reading of the resolution when passed carries the principle of the resolution forward into the bill, which will be brought down later, and is again concurred in. True, I may oppose it in committee; I may vote against it, but the vote is not recorded; it is simply a counted vote. Effective opposition to the proposal can hardly come in committee of the Whole.

There is one suggestion I have to make to the Prime Minister, and I do so with all kindness because I am anxious to support him in his investigation into this whole question of control. Will the Prime Minister or will the government make this offer to us? Will he give me an undertaking that the following will be his attitude? That if we go into committee of the Whole this question will not be pressed to a second reading of the resolution in committee of the Whole, when the principle would be determined, but that the government will after a certain formal debate has taken place, move that the debate be adjourned? Then we will find on the order paper next day Item No. 16 or Item No. 18, or whatever it may be, "House again

in committee of the Whole on a certain resolution". Next day the hon. Minister of Trade and Commerce could rise in his place and move that that item be struck from the order paper, and that this whole question be referred to a special committee. I offer that to the government as a solution, as a way out of its dilemma and a way out of ours. I am anxious to support the government, but I cannot tie myself to the principle of this hopelessly futile subsidy to ten small ships.

Were I permitted to move an amendment to the amendment, were I even permitted to move an amendment after the amendment now before us had been disposed of, I would move one in terms not dissimilar to this:

> That Mr. Speaker do not now leave the chair, but that it be resolved:
>
> That it is advisable that a select special committee be appointed to make inquiry into the question of steamship transportation, it having been alleged that a combine exists known as the North Atlantic Conference; and
>
> That it is advisable to afford opportunity to all interested parties to submit their views upon the subject matter of the inquiry to the said committee, with particular regard to the possibility of discovering the best method for effectively controlling steamship rates by the Dominion of Canada;
>
> And that the said committee shall have power to send for persons, papers and records including what minutes and evidence and reports of previous investigations may be considered necessary, and to examine witnesses under oath and to report from time to time.

That, Mr. Speaker, would be my amendment if I had the power to move it. I have not the power to move it now under the rules. I do not wish to embarrass the government. I wish to co-operate with them in this matter, and I cannot move it very well on second reading of the resolution without embarrassing them further. I ask now, if the government are honestly anxious to arrive at a solution of this problem, that they either take this step or any other that appeals to them that may save themselves and ourselves from the position in which we find ourselves, and refer the whole matter to a committee. I am quite sure many hon. members on the other side of the House—I look at the hon. member for Brome (Mr. McMaster), I look at the hon. member for St. Lawrence-St. George (Mr. Marler)—and many others who would be only too delighted to see some such solution of this question put forward by the government. I make this suggestion with the sincere desire to co-operate with the government.

Before I take my seat I wish to express my regret that when the Prime Minister was speaking he did not read the whole of the report of the special committee on Agricultural Conditions. I also must take this opportunity of telling my hon. friend from South Oxford (Mr. Sutherland) that he was incorrect and unfair when he said that the special committee had reported without discussion.

Mr. SUTHERLAND: If my hon. friend will permit me, I am sure he does not wish to misrepresent me. I think I made it perfectly clear in speaking on this motion that I did not censure the committee in any way. I merely pointed out that in so far as I was concerned I had not heard the report, and I was not present when it was passed.

As far as the question put to the Prime Minister was concerned, I still think there is an error in the report of what I said. If you will compare it with the words I used in speaking on this motion, you will find that I made it perfectly clear that this report of the committee was passed on one morning several weeks after the evidence had been submitted to it, that I was not present at the committee meeting, that I had not heard the report read, and did not know anything about it until after parliament had prorogued.

Mr. GARLAND (Bow River): I am quite willing to accept the hon. gentleman's explanation, but the fact of the matter is that an impression was left upon the House to the effect that the special committee had hurriedly jammed through their report without discussion. There is no doubt that was the impression left. Now in fairness to the chairman of that committee, who in my opinion is one of the fairest minded men in the House of Commons, I wish to quote from the report of the committee, at page lvi: This report is dated Wednesday, June 13, 1923. I quote:

> Chairman submitted to committee for approval a suggested further report to the House on ocean freight rates. After discussion of same, clerk was ordered to have sufficient copies typed forthwith to supply each member of the committee with a copy.

Again on Friday, June 15, 1923, I find this:

> The fifth interim report—that of ocean freight rates—was again taken up and discussed, and laid over until the next meeting of the committee.

Again on Monday, June 18, 1923, I find:

> Chairman read redraft of proposed report to the House on ocean transportation.
>
> Discussion followed.
>
> On motion of Mr. Caldwell, seconded by Mr. Munro, the draft report as read by the chairman was adopted, and the chairman ordered to present it to the House as the fifth interim report of this committee.

I do not put this on record in any carping spirit of criticism, nor with any desire to reflect upon the hon. member for South Oxford, but simply because my impression and the impression, that others who heard him speak gathered from his remarks was that no discussion had taken place on the report. I do

not think it was the hon. member's intention to create that impression.

Mr. SUTHERLAND: I attempted to point out while the Prime Minister was speaking that the report of this committee was not read when it was submitted to the House, and consequently the members were not familiar with it. When I spoke on this motion, I made it perfectly clear that the chairman of the committee had done everything possible to get all the evidence that was available and I asked the Prime Minister to read the seventh and final report which indicated that owing to inability to digest the evidence taken it was advisable to have the committee reappointed.

Mr. GARLAND (Bow River): The Prime Minister referred to this report of the special committee on Agricultural Conditions and he quoted at some length from Mr. Lubin and other witnesses. But he did not quote all; let me quote some more that he might have referred to. At page 20 the following appears:

> The question of ocean freight is a world problem and one of very great importance to all countries. As a world problem it cannot be settled satisfactorily by any one nation nor by any one interest acting alone.

Mr. Lubin was then quoting from Mr. Hippwood, the assistant secretary of the Marine department. He goes on to quote Mr. Alexander, the chairman of the committee of the House of Representatives on merchant marine matters:

> It is true that our government would be impotent to enforce reasonable rates or stabilize rates on farm products in international trade in the absence of an international agreement. It is an international problem and can only be solved by international agreement.

I wish the Prime Minister had not left these quotations out.

Mr. IRVINE: Why not vote for the amendment then?

Mr. GARLAND (Bow River): We come now to page 21, where we find that the committee reported as follows. Part of this has been already put on Hansard, but it is so important as to warrant repetition by way of emphasis:

> Your committee, in view of the foregoing and of the evidence adduced before them and referred to in a previous interim report, are of the opinion that action is desirable to control shipping rings or conferences.
>
> It is suggested that the Canadian representatives in attendance at the next meeting of the International Institute of Agriculture should be given authority to see that the matter is thoroughly discussed, in order to discover whether an international system of control is feasible through such agency.
>
> In view of the fact that a very great deal of the shipping coming to Canadian ports is British shipping concurrent action by the British authorities is respectfully suggested. The matter might well be made a subject for discussion and consideration at the nert Imperial Economic Conference.

> Meanwhile it would appear wise to recommend that the government through one of its departments—we suggest the Department of Trade and Commerce—should entertain complaints from shippers of unfair or oppressive treatment by ocean carriers and should hold investigations publicly or privately into such complaints.

This last recommendation is the only part of the report which the government would appear to have carried out; the government certainly has entertained complaints of all kinds from every one in the matter and I congratulate them in that respect. At the bottom of the page we find the following:

> The Canadian people are the owners of 67 ships. Some of these are of fair though not large size. Your committee suggest that a certain number of these ships might be selected to be operated in conjunction with our National railway lines, that the freight rates on such steamers could be established on the cost of carriage plus a reasonable profit based upon the real, as opposed to the cost, value of the ships. If these ships are of the size and type which can be economically and efficiently run in conjunction with the National railways (and on these points your committee have taken no evidence) the following desirable objects would be obtained. The National Railways would be enabled to grant through bills of lading on a transportation system by land and by water altogether under their own control; the Canadian people would be able to obtain transportation facilities at reasonable and known rates; the service thus given on the ocean would tend to maintain rates on a reasonable basis and would act as a deterrent to the charging of unreasonable rates by other lines; and finally the knowledge obtained by the government as to the actual cost of ocean transportation would aid it in determining whether rates charged by other lines are fair and reasonable.
>
> Should it appear—

And it was really amusing to me, Mr. Speaker, to hear the Minister of National Defence quote this.

> Should it appear that there are no ships or not a sufficient number of ships belonging to the Canadian Government Merchant Marine suitable for this service then it would appear that wisdom would dictate the disposal of some of the smaller ships to enable ships of the class required to be secured.

I have asked several of the members of the committee the meaning of that sentence in the report and there is no question as to what it signifies. If these boats were too small for the service or were not efficient, the suggestion was that they should be sold and that other boats, government owned, should be purchased in their stead.

Now let me offer a suggestion as a constructive proposal—and I offer it humbly as coming from a junior member. If the government wishes to meet the problem there are two principal things which in my opinion it can do. First of all, it should endeavour at once to secure a joint inquiry, international in its scope, into the question. There are several ways in which that could be taken up. The British Board of Trade may be ridiculed by hon. members opposite as hope-

less, but I venture to suggest that they would receive a friendly hearing. At least I should like to have their report after a real conference had been held. Again the government might take up the matter with the International Institute of Agriculture at Rome with a view to seeing what could be done or the government could take steps to bring about if possible an international conference under the League of Nations. So that there are several ways in which action might be taken. Secondly, I urge that in the meantime something be done, and I do think that the government should take some steps in the matter. What should those further steps be? There are two methods by which immediate relief might be brought to the present situation. One would be to amplify the present merchant marine service by adding to it ships constructed in Canada. The government could help the employment situation by building ships of its own. Why not capitalize this subsidy and issue bonds that would necessitate the payment of annual interest equal to $1,350,000, and so have enough money to build all the boats needed to augment the present Canadian Government Merchant Marine service and provide a really competitive force on the Atlantic? I offer that suggestion to the government. I understand that the capital so invested would provide about 21 new boats, efficient and up-to-date, instead of ten. But if the government does not want that, there is an abundance of empty tonnage on the market of the world anxiously awaiting a purchaser. Buy what tonnage may be needed and use it to control rates if you think you can break the combine that way. The second method is this: The government might take into consideration the possibility of getting the present Canadian Government Merchant Marine and the Canadian Pacific Railway boats to work in harmony in some attempt to create competition in Atlantic rates.

For the life of me I cannot understand how any government or any body of men can imagine that ten small boats, or even twelve or fifteen, of the tonnage specified in the agreement, can hope to make the least impression upon a combine of such an immense and powerful character nor affect rates unless those ten boats carry only a few commodities of a special kind at special rates. They can unquestionably establish competitive rates on the commodities which they carry in large enough quantities, but this would not be the case with other commodities. I regret therefore that unless the government can make some intimation, such as I suggested in the earlier part of my remarks, and not press to a vote the second reading of the resolution, I shall be compelled to vote against the motion.

Mr. SUTHERLAND: Will the hon. member permit me to direct his attention to what I really did say on that occasion?

Mr. GARLAND (Bow River): I do not question the hon. member's intentions in the least. Possibly he did not mean what he said.

Mr. SUTHERLAND: This is what I said:

> I do not wish to take exception to anything that was done by the committee, but I can say that, so far as I am concerned, I never saw the report referred to nor heard of it until after it was printed, long after parliament prorogued. . . . It was called on a Monday morning near the end of the session, and that may account for my absence. I did attempt to attend the meetings of the committee as well as I could.

Mr. GARLAND (Bow River): I envy the hon. member his opportunity of frequently getting home.

On motion of Mr. Vien the debate was adjourned.

On motion of Mr. Mackenzie King the House adjourned at 11.05 p.m.

Friday, March 20, 1925

The House met at three o'clock.

TAX COLLECTIONS

PROPOSED INQUIRY BY PUBLIC ACCOUNTS COMMITTEE

Mr. W. C. GOOD (Brant) moved:

> That the standing committee on Public Accounts be instructed that they have power to investigate the methods by which the business profits and income taxes, especially in the case of large concerns, have been assessed and collected.

Hon. J. A. ROBB (Acting Minister of Finance): The Minister of Customs (Mr. Bureau), whose department now administers the business profits tax and the income tax, is absent, as also is the Acting Minister of Customs. I am not sure that they have had notice of this motion, and in their absence I would ask my hon. friend to allow the motion to stand as notice.

Mr. GOOD: A word of explanation might be due the House in this connection. Last year, on the 16th of June, there was a fairly lengthy debate on this question, and at the conclusion of the debate the very same resolution that I am now asking to be passed was adopted by a large majority. Unfortunately, it was fairly close to the end of the session and the Public Accounts committee was

called four times in succession without securing a quorum. Last year the first and final report of the Public Accounts committee, which was presented on the 17th of July, read as follows:

> Your committee, to which was referred instructions "to investigate the method by which the business profits and income taxes, especially in the case of large concerns, have been assessed and collected," was summoned on four occasions, in the usual way, to meet for the consideration of the business in question, and on each and every occasion a quorum failed to appear.
>
> All which is respectfully submitted for the information of the House.

All I am asking is that there be a renewal of the instructions given last year to the committee. Nothing was done, and as the authority lapsed with prorogation it is necessary that a motion be made in the House this session in order to renew the instructions given to the committee last year. The motion is in identically the same words as the motion of last year, and I do not think there can be any objection to it. I submit that the House should authorize the committee to go ahead with the work that was in contemplation last year and which was not proceeded with for the reasons I have mentioned.

Mr. ROBB: The minister in charge has some responsibility, and may I again ask my hon. friend to let it stand until the minister or his representative is in his seat?

Mr. GOOD: Let it stand, then, Mr. Speaker.

Motion stands.

RAILWAY ACT, 1919, AMENDMENT

Mr. T. L. CHURCH (North Toronto) moved for leave to introduce Bill No. 31, to amend the Railway Act, 1919.

He said: The object of the amendment is to restore the special rates that applied prior to the war in regard to tickets purchased on such special occasions as Thanksgiving Day and certain other holidays and for the purposes of attendance at fall fairs, conventions and sporting events which are held throughout Canada. Before the war, single fares or a fare and a third were charged, instead of the full return fare, to persons attending various functions of this character on certain days, and special occasions and conventions of different kinds held by farmers' and other organizations. In connection with sporting events, such as soccer, lacrosse, football, hockey, and other games, there was also a cut rate for week-ends. If the old special rate that obtained on such occasions prior to the war were restored there would be a large increase in the earnings of the railways from this class of traffic, in the ordinary course of good business.

Motion agreed to and bill read the first time.

PRIVATE BILL

FIRST AND SECOND READINGS

Bill No. 30 (from the Senate) to correct a clerical error in chapter 166 of the statutes of 1924, intituled: "An Act for the relief of James Henry Kirkwood."—Mr. Anderson.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. W. A. BLACK (Halifax): Mr. Speaker, I would like to call the attention of the government to an article in the Montreal Gazette of this date. It is headed:

> Nova Scotia Premier Slams Mackenzie King in Provincial House.

The Prime Minister of Canada was quoted as having said that the responsibility was with the Nova Scotia government, and the Premier of Nova Scotia, according to this despatch, said:

> The Prime Minister, if he really said it, doesn't understand the first principles of responsibility. The responsibility is just as much his as it is mine.

Then Premier Armstrong went on to say that legislative action would be taken at the proper time, and with the consent of the whole House.

It would be gratifying to myself, and I am sure to the people of my province, and especially to the workers of the mining district of Cape Breton and of the other coal areas of the province of Nova Scotia, if the Prime Minister would reconsider his attitude.

Mr. SPEAKER: Order. On the orders of the day only a question is allowed.

Mr. BLACK (Halifax): May I ask if the Prime Minister will reconsider his attitude, and if he would be prepared to grant assistance to the sufferers down there, which would have my support and that of many members around me.

Mr. SPEAKER: Order. I am sure the hon. member does not want to break the rules of the House. He is allowed to put a question on the orders of the day, and must not amplify it.

Mr. BLACK (Halifax): I am sorry, Sir, if I was out of order.

Right Hon. W. L. MACKENZIE KING (Prime Minister): As to the despatch to which my hon. friend refers, I would say, first of all, I am not responsible, and I imagine

Premier Armstrong is not responsible, for a despatch that appears in the Gazette. I would like to assure myself of the source of the despatch, and then in addition, reading the language of it, I would want to know before commenting upon it, what communication was read by Premier Armstrong before he used the words he is reported to have used. I have a copy of the despatch here, and my hon. friend probably noticed that Premier Armstrong said, "The Prime Minister, if he is correctly reported—" Well, I do not know what reports have been going from Ottawa to Halifax and appearing in the Halifax Herald and other papers, but I should feel that Premier Armstrong would be quite justified in using language such as he did there, with respect to some of the reports at least that I have seen of things that I was supposed to have said and have never said.

Mr. MEIGHEN: Mr. Speaker—

Mr. MACKENZIE KING: Will my right hon. friend allow me. He is not content with interrupting everyone on his own side who rises to speak, but attempts to interfere as well with everyone who gets up to speak on this side of the House.

I was saying, Mr. Speaker, when the leader of the opposition got up to interrupt in his usual way, that I do not know what report it was that the Premier of Nova Scotia was supposed to be referring to. I would wish to see that report before I commented on the despatch that has just been referred to. However, with respect to the position of the government in regard to the Nova Scotia situation, it remains exactly what it has been, and as I have stated it in this House over and over again. In Hansard of March 10 my hon. friend will find the following statement:

> The position the government takes in the matter is this: The Premier of Nova Scotia has already intimated to the president of the Mine Workers' Union that the government of Nova Scotia would be prepared to co-operate in any matters of distress where it appears that the municipalities are not able to take care of the situation. This government, therefore feels, that unless requested by the government of Nova Scotia to do so, we should not intervene at this time.

I have repeatedly said that unless the government of Nova Scotia requested this government to intervene in this matter, we did not intend to intervene. When requested, we will take the request of the government of Nova Scotia under consideration.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Do I understand the Prime Minister to mean that no action for purposes of relief can be taken by this administration, or will be taken, unless requested by the government of the province where the relief is needed?

Mr. MACKENZIE KING: I have stated that until this government is requested by the government of Nova Scotia to interfere in the Nova Scotia situation—

Mr. MEIGHEN: With regard to relief.

Mr. MACKENZIE KING: In any particular—this government intends to await a communication from the government of Nova Scotia.

Mr. WILLIAM IRVINE (East Calgary): I think that the Prime Minister just quoted from Hansard the position of the government based upon a press report regarding what Premier Armstrong had said.

Some hon. MEMBERS: Order.

Mr. IRVINE: My question is this: Why does the Prime Minister accept that report of the press, and not the one that has just been read to him?

Mr. MACKENZIE KING: Because, on the face of it, it appears to be correct; the other does not.

Mr. MEIGHEN: The other report is exactly in accord with what the Prime Minister did say.

Mr. LAPOINTE: Another question on the orders of the day!

INQUIRIES FOR RETURNS

ORDERS OF SESSION 1924

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): Regarding returns, I want to bring to the attention of the government, and indeed, I think, to Your Honour's attention, that certain returns ordered last session have not yet been laid on the table. I have particular reference at the present moment to one in my own name, passed on April 30, 1924:

> For a copy of all evidence or statements made before the Royal Pulpwood Commission by Mr. Piché and other witnesses, members or officers of the government of Quebec.

That return has not been brought down yet. I understand, Sir, that under the rule, returns ordered during one session, if the government cannot produce them before prorogation, are to be laid on the table immediately after the opening of the following session. I have already brought this matter to the attention of the government, and I would ask the Prime Minister, or the responsible min-

ister in this case, if we can expect this return immediately.

Right Hon. W. L. MACKENZIE KING (Prime Minister): When the matter was brought to my attention the other day I mentioned that I was quite sure that it was through inadvertence the return had not been brought down, and I immediately spoke to my colleague the Secretary of State (Mr. Copp), and asked if he would have the officer in his department who is responsible for seeing that these returns are brought forward, communicate with the departments of the government concerned and see that the returns were prepared and brought down as speedily as possible. I have since been informed by my colleague that he has taken that step, and I think the return will be brought down very shortly.

Mr. E. B. RYCKMAN (East Toronto): On the 9th of June, 1924, an order for a return was passed:

For a copy of all telegrams, letters or other messages, or documents, despatched from the Department of Justice to the authorities of Portsmouth penitentiary respecting the non-infliction of lashes on the person commonly known as Red Ryan.

That return has not yet been brought down, and I would ask the government when I may expect it.

Hon. ERNEST LAPOINTE (Minister of Justice): I will look into the matter.

BUSINESS OF THE HOUSE

NOTICE OF MOTION—MR. MEIGHEN

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I am rising to make a request of the government which I made some time ago. I have a resolution on the order paper the importance of which I do not think anyone will deny. There has never been opportunity to move it yet except at twenty minutes to six on a Wednesday and at about a quarter to eleven on another day. No hon. member with any intention of being reasonable would have suggested the resolution could have been gone on with then. In view of its importance I am going to ask the government if they will be good enough to set a day to the extent of saying that government business will not be gone on with on that day in advance of this business. I am quite aware that the government cannot guarantee that a private member will not go on on a private members' day; but the government is not being asked anything unreasonable if it is asked to fix a day for the discussion of this resolution in so far as it is in the power of the government to give it. This has been done repeatedly. I think this request should have been acceded to before, and an opportunity provided for debating this resolution before the budget. I make that request still.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might say that several hon. members of the House have been making special requests regarding their resolutions, and with due deference to my right hon. friend, I think all are entitled to equal treatment. Much as I would like to please my right hon. friend in the matter of his particular motion, I feel that the government owes a like obligation to every member of the House who has a motion appearing on the order paper. As far as the motion is concerned, I should think my hon. friend would have ample chance to move it, if he wishes, as an amendment to the budget, and if he so desires may debate the matter at great length there.

EASTER ADJOURNMENT

On the Orders of the Day:

Mr. J. FRED JOHNSTON (Last Mountain): I would like to ask the government if the length of the Easter recess has been decided upon; and to say in this connection: if it is to be brief, the majority of members in this quarter of the House would like it to be very brief; If it is to be lengthy, make it long enough so that members living at a distance will have an opportunity to go to their homes without losing their time.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The one desire of the government is to expedite the business as far as possible. The intention, as far as the government is concerned, is to adjourn on Wednesday night of Easter week until the following Tuesday.

THE BUDGET

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Is it the intention of the government to press the budget on prior to other measures that have been promised, especially in view of the fact that the Senate has nothing to do?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The intention of the government is to carry out the programme as originally arranged to expedite the business of parliament. The budget will be brought down on Tuesday.

AUSTRALIAN TRADE TREATY

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): I should like to draw the attention of the Minister of Trade and Commerce to a telegram—which I shall not read to the House but which I shall hand to the minister for his kind consideration and on which I shall base a question—that I have received from a very outstanding business organization in northern Ontario dealing with the Australian trade treaty. I should like to ask the minister if any further progress has been made in regard to the Australian trade treaty. I will pass the telegram over to my hon. friend later.

Hon. J. A. ROBB (Acting Minister of Finance): I shall be glad to look over the telegram and discuss it with my hon. friend. There has been no further progress to that announced the other day.

IMPORTATION OF HOGS

On the Orders of the Day:

Mr. J. L. BROWN (Lisgar): I desire to call the attention of the Minister of Agriculture (Mr. Motherwell) to an article that appeared in the weekly issue of the Manitoba Free Press, from which I read the following sentence:

> The minister's refusal last week to allow the Hon. Mr. Hoadley, minister of agriculture in Alberta, to bring in some hogs from Denmark to show hog breeders in that province what a real select hog looks like—

And so on. Is it true that there was such a refusal, and if so would the minister briefly indicate why?

Hon. W. R. MOTHERWELL (Minister of Agriculture): Yes there was such a refusal. There has been an embargo on hogs from Europe for the last twenty years.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. H. E. SPENCER (Battle River): Would the Minister of Railways inform the House if a decision has been arrived at between the Canadian National Railway and the Canadian Pacific Railway officials regarding an outlet in the Peace river district, and whether the government has received a report on the subject?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I have not received a report, and I cannot say whether the heads of the railways have arrived at any decision as to what they will suggest.

FEDERAL AID TO HIGHWAYS

On the Orders of the Day:

Mr. A. L. BEAUBIEN (Provencher): Has the Minister of Railways (Mr. Graham) any intention of bringing down legislation at this session to continue federal aid to highways?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): My hon. friend will find a resolution on the order paper extending the time two years, to allow those provinces that have not already expended the amount to which they are entitled under the original act to do so.

Mr. BEAUBIEN: I mean to grant further aid.

Mr. GRAHAM: Further than the extension of time as I have suggested, it is not the intention of the government to introduce any legislation.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION FOR RATIFICATION DISCUSSED

The House resumed, from March 19, the adjourned debate on the motion of Hon. T. A. Low (Minister of Trade and Commerce) to ratify and confirm a contract between His Majesty and Sir William Petersen providing for the establishment of a subsidized steamship line on the Atlantic, and government control of certain ocean rates, and the proposed amendment thereto of Mr. Clark.

Mr. FRANK S. CAHILL (Pontiac): I have not read the Preston report, and I do not know Mr. Preston, but I wish to say that if he is responsible for the admissions contained in the reply to the Preston report he is entitled to the gratitude of his Canadian fellow countrymen. This reply contains enough admissions to convince the country at least that there is a combine known as the North Atlantic Steamship Conference. They start by saying:

> The North Atlantic Steamship Conference is not in any sense a combine, but the interests of the large number of individual companies operating steamers from north Atlantic ports required some form of joint action in respect to rates.

So that they admit joint action in respect of rates, and if that is not a combine it must be what was formerly called by the present right hon. leader of the opposition (Mr. Meighen) a monopoly. They admit the combine. We also have the admission of the chief spokesman for the authors of this reply in this House that there is a combine. The right hon. leader of the opposition admitted

the combine. He also stated in 1913 that there was a combine or a monopoly. The monopoly existed in 1913 to such an extent that my hon. friend, as was pointed out by the hon. Minister of National Defence (Mr. Macdonald) yesterday, moved the adjournment of the House to debate the subject, and he said that alarming increases had taken place in the two years, which would be the two years after the 1911 election. My hon. friend made a very good speech on that occasion, a much better speech than the one he made yesterday. And I have noticed in reference to my hon. friend that his best efforts are not put forth when he is declaiming against the interests of the Canadian people. His speech in 1913 was so good a speech that it attracted the attention of the leader of the government of the day, and my hon. friend a few weeks later was taken into that government and proceeded to forget all about the North Atlantic conference. He then started climbing the ladder of fame and kicking out the rungs as he went up. He went on climbing from that time, and forgetting the interests of the Canadian people until he reached the pinnacle of his political ambition and became the leader of a great party; and when time compelled him to again appeal to the country he found that he had so forgotten the interests of the Canadian people that the electors of the country merely returned a corporal's guard of that once great party to this parliament, minus the corporal. The right hon. gentleman (Mr. Meighen) said at that time:

> In my opinion the time has come when not only this House but the country should have that importance impressed upon them.

Speaking of the combine he further said:

> The responsibility will rest upon this government; they will be loaded with it only if they should not avail themselves of any remedy within their reach to relieve the present situation.

And he went on further to say:

> Whatever may be the difficulties of the solution, its magnitude will demand that it be attempted.

So that even in 1913 the subject of the North Atlantic conference was one which was agitating the minds of the Canadian people. My hon. friends opposite were then in power, and they attempted to do something about it. Another distinguished member of the Conservative party made his first official trip to Europe as a delegate to try to arrange with the British government to control the rates on the north Atlantic. My hon. friend the member for West York (Sir Henry Drayton), then chairman of the railway commission, made a trip, and returned to say that he could not accomplish anything. He made subsequent trips but accomplished nothing further, save getting for himself a knighthood, and he and the government promptly forgot all about the North Atlantic conference. It was stated then that my hon. friend in reviewing his career did think of his first rung of the ladder and decided he should do something about it, either write a letter to the Times or to Dr. Magill; so he sat down and wrote a letter to Dr. Magill, and then he promptly forgot all about it. He did not even expect a reply to the letter. Certainly he expected no report, and never thought of the letter again until this question was before the House at this session, when he demanded of the government of the day the production of a reply to his letter to Dr. Magill. That was the sum and substance of his effort towards controlling the North Atlantic combine, but during all that time the Conservative government of the day, for the ten years they were in power, continued to grant subsidies to the ocean shipping combine. They granted subsides of $2,000,000 a year for several years of their tenure of office. They granted in all in the ten years more than $18,000,000 or $1,800,000 a year. The present subsidy added to the subsidy that is now in the estimates for the current year amounts to only $1,900,000. So I wonder why all the uproar about this particular subsidy! Is it because it is not going to the friends of my hon. friends opposite? Is it because there is to be something in this subsidy for the benefit of the Canadian people? They paid the subsidies I have indicated and nothing was said about the matter. There was no question of rate control. The only "control" that was thought of was control of the money, and that was left to the people who got it. But my hon. friends attack this now as being a waste of the taxpayers' money. They thought nothing of that when they themselves were paying out more money which did not give any advantage to the Canadian people. They attack it because they say it will not be effective. The leader of the opposition (Mr. Meighen) in 1913 had a remedy. His remedy—he was speaking then of American rates—was as follows:

> I refer to it in order to suggest that perhaps that by the joint operation of both governments, with the co-operation if necessary of the British government, a tribunal might be formed that would be able to control freight rates on the north Atlantic in something the same way in which the railway commission controls railway rates in Canada.

After ten years of doing nothing his friend the hon. member for Burrard (Mr. Clark) produces the same old film and decides to

shoot another picture from it. He moves practically the same motion that they incubated for ten years when they found they were trying to hatch a nest egg. The hon. member for Burrard moves:

That Mr. Speaker do not now leave the chair, but that it be resolved: That effective control of ocean rates can be exercised only with the co-operation of all portions of the empire, and by a body on which all are represented.

That is the thing which they have been at for ten years, and in regard to which they could not accomplish anything. Now they propose to form another League of Nations to deal with this matter. Of course, they know it is futile; that nothing can be done along that line; but it would have this result that it would save their friends in the combine from any hardship under this legislation. It would not hurt any person; it would still allow them to go on as they have been doing during the ten years; it would allow them to collect those exorbitant rates which the leader of the opposition said in 1913 were so alarming, and which he said last night had increased 47 per cent since that time. But now he says: It is all right; rates are not too high after all. He argued last night just as the reply of the steamship lines argued. First they admit the combine; second, they admit that rates are high; but they say that they must have high rates in order to make adequate returns. That is all that any person wants, as long as he is allowed to determine what is "adequate."

Then the right hon. member proceeded to argue that rates had not increased very much. That is exactly what the reply does. That is exactly what the hon. member for Vancouver Centre (Mr. Stevens) said. There does not seem to be any argument except—leave it alone, do not interfere with this huge combine. They argue that there is no way of enacting legislation that can control ocean rates. If you cannot enact legislation that will control ocean rates, what other remedy is there? That means that there is only one remedy—competition. How are you to get competition? My right hon. friend asks: Why not use the merchant marine? He suddenly discovered that there was something valuable in the merchant marine. He was exercised over this question for ten years. Why did he not try the merchant marine? He did not do so, but he chooses one of his supporters to move an amendment to create a tribunal of all the governments of the empire and then, in his own speech, he proposes that the merchant marine be put on to break this combine. Why did he not move that as an amendment to this resolution if he thinks so much of the merchant marine? Why did he not move that the total fleet of the merchant marine be put on the north Atlantic? I notice that he does not seem to think very much of the merchant marine. He is quite calm about it. But he does, on occasion tell us that the Liberal party were just as strong in support of the merchant marine as he was at the time it was inaugurated. As hon. members will remember, when the merchant marine was inaugurated, the war was on. The merchant marine was inaugurated in 1918, and the first vote on the subject was not opposed by the then Liberal opposition, but it was strenuously opposed in the next session after the war was over; it was more strenuously opposed in the following session; and in the final session my right hon. friend had to put through his vote by closure. That is the kind of "support" which the Liberal party gave to his merchant marine that cost this country $70,000,000 and that my right hon. friend does not seem to think very much of, —yet that he now advocates should be put on the north Atlantic in order to break the combine.

My right hon. friend chided the government for not taking action sooner on the McMaster report. He thought the government was subject to censure for not taking action sooner. I agree with him to some extent. I think a Liberal government that could not accomplish more in ten months than a Tory government could in ten years is somewhat liable to censure. The Liberal government is, I think, making an attempt, but it should be able to accomplish more in a few months than my hon friends opposite could in a whole lifetime.

Hon. gentlemen opposite are attacking Preston; they are attacking the merchant marine; they are attacking the management of the merchant marine; they are attacking everything but the resolution that should be the means of reducing rates on the north Atlantic. If the outcome of this resolution will not be a reduction in the rates, what can be done about the matter? The leader of the opposition yesterday said: We have no right to attempt to control rates on the Atlantic. Where does he get that theory, that a country has no right to control rates on its exports and imports? Such a statement is absurd, and it will be taken as an absurd statement by the people of the country when they have a chance to pass on it. Of course, the people of Canada have a right to control the transportation of their commodities both in and out of this country. There is only one effective way of regulating the rates and that is by competition. If you cannot control your own shipping, if you cannot put on your own boats, and now must adopt other means,

I do not believe the merchant marine could compete; in the first place, they have not the docking facilities in Europe, and, second, they are not fitted for this trade. These boats built by the Petersen company will have the docking facilities and will be built for the trade; they will be an effective factor in reducing rates on the north Atlantic, and the government of the day will be congratulated by the Canadian people for putting through this legislation and will be rewarded for their efforts when the time comes at the next election.

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, I rise for the purpose of opposing the resolution now before the House. I do so for various reasons, the principal being that to my mind no necessity has been shown for this legislation, and no proof produced that it would accomplish the purpose for which it has been introduced.

The last speaker (Mr. Cahill) has laid great stress upon the alleged fact that there is at the present time a shipping combination on the Atlantic. There is no question of doubt that there is an Atlantic conference, but it is questionable whether this conference has a malignant influence. We should remember that the various shipping concerns using our ports must have some arrangement whereby shipping may be more or less regular; this is most essential to the trade, and for this purpose at least a conference is necessary. True, the government endeavoured to prove that there was a combine oppressing the shippers of Canada, and for this purpose they had our friend Mr. Preston go over to the Old Country to investigate and report. But the government did not wait for his report. They made a bargain with Sir William Petersen some weeks or months before Mr. Preston submitted his report, trusting that what it contained would justify their action. But we now find that not one single member of the government has treated the Preston report as being reliable. The Minister of Trade and Commerce (Mr. Low) in introducing the bill quoted from various files of the department showing that investigations had been made in the past, and he relied largely on an investigation made by the committee on Agricultural Conditions of a few years ago; but not for one moment did he say that he pinned his faith to the Preston report.

I think, Mr. Speaker, the country is entitled to a thorough investigation before it is committed to an expenditure of many millions of dollars. This experiment will be costly to us. Further, it can have no real value in defeating the combine, if there is one; on the other hand it may injure our trade very materially. For instance, if there is a combine, the shipping companies forming it might say; We will withdraw our ships from the St. Lawrence for one week. What would the result be? We would have a repetition of the situation on the Great Lakes two years ago, when this government undertook to regulate lake shipping rates, and had ultimately to beg United States vessel owners to come to their rescue and violate the law which had been enacted at the instance of the government itself.

It is significant that if there has been a combine on the Atlantic, the government has actually been a member of that combine, until the last few days at least; so have been the Shipping Board of the United States and the Canadian Pacific Railway Steamship service. And yet we have no evidence that the government made anything out of the operation of the merchant marine even under the combine. Then again, the government has for two years had full opportunity to withdraw their ships; indeed, they had before them a recommendation made by a committee of this House headed by the hon. member for Brome (Mr. McMaster), which brought in a report in these words:

> The committee desire to bring the facts in this regard to the earnest attention of the House, and to respectfully suggest that the Minister of Railways and Canals should take the matter up with those responsible for the management of the boats, so that the complicity of the Canadian Government Merchant Marine in this combine may be brought to an end immediately.

Yet in spite of this recommendation the government continued to operate the merchant marine in the combination, and the excuse given by the Prime Minister in the present debate was this:

> I am told—I speak subject to correction—that one of the operations of this combine is, that if any line withdraws from it it will immediately attempt to undertake to put that line completely out of business.

Now, Mr. Speaker, the only way in which a combination could put one of its member companies out of business would be by reducing freights to an unprofitable point. Therefore, if the government had withdrawn our merchant marine, and the combine had taken the action which the Prime Minister feared, he would have accomplished all he could possibly hope to accomplish if he gets all the good results which he anticipates from this proposal.

Let me point out what the real cost of this subsidy will be to Canada. We are asked to subsidize the Petersen boats to the extent of $1,330,000 per annum. The boats will cost

approximately $600,000 each. In other words, we are paying each year for two of the boats. Or to put it another way, these ten boats are capable at their best of making some eighty voyages, fifty to the St. Lawrence and thirty to the Maritime ports; that is, providing they are at sea and busy every day,—we will give them the benefit of that assumption. But even if we calculate eighty voyages per annum we find that we are paying them a bonus of $16,660 for each voyage. Later I propose to quote the figures given by the Minister of Trade and Commerce as to the actual cost of operating these boats, but for the present I may say that we will be paying about 62 per cent of the total cost of operation.

Now, the Minister of Trade and Commerce in speaking on this subject admitted that the Petersen ships were small, having a deadweight tonnage of approximately 9,000 tons, and he said that although they were small they were effective, to prove which statement he pointed out that the Canadian White Star line had six vessels, the largest one of a gross tonnage of 6,000 tons, which had been operating for many years in the Canadian service quite satisfactorily and were one of the chief factors in our export trade. One of these boats was built as long ago as 1898, and the others were built previous to 1900. He also pointed out that the Anchor-Donaldson line also had six boats in the Canadian service, the largest having a tonnage of only 5,300 gross tons, and that they had been operating successfully; that the Cunard line had six boats, the largest being approximately of 5,600 tons gross tonnage; that the Withy-Furness line had three, and the Head line six, all of about the same tonnage, 5,000 tons gross; the Manchester line had a large number and also the Cairn line. In each and all of these services the boats are smaller in tonnage, older, and less modern in every way than the twenty-six or twenty-eight vessels of the Canadian Government Merchant Marine. The boats of the merchant marine are more up-to-date and better in every respect than the boats enumerated in Hansard, which were said to be so successful in their operations by the Minister of Trade and Commerce. The boats of the Canadian Government Merchant Marine also have a greater speed than the majority of the boats mentioned by the Minister of Trade and Commerce,—they have greater horse power and in every way are better equipped. I think it has been a set purpose on the part of the government to throw mud at the Canadian Government Merchant Marine simply because the vessels happened to be built by the Union government. As a matter of fact, these boats cost too much; there is no question about that. But let us remember that they were not built to make money but were built solely because there was an absolute necessity for additional shipping at the time they were first put into operation.

Mr. CARROLL: And the cost seems too high at the present day.

Mr. ARTHURS: Certainly. Indeed, I think we are foolish to retain this book value against the ships; we should write them down to modern cost and see how we can get along in that event. As I was going to remark, however, it seems to be the policy of the government and of those ministers particularly who have spoken on the subject to throw mud at the merchant marine. I do not want to take up much of the time of the House discussing the speech of the Minister of Agriculture (Mr. Motherwell); I do not usually tilt at windmills. Referring to the merchant marine, however, he said that the objection to these ships was that they were too small for the ocean and too large for the lakes.

Mr. MOTHERWELL: Too large for the canals.

Mr. ARTHURS: Well, it amounts to the same thing. And the Prime Minister (Mr. Mackenzie King) went even further; in so many words, he said they were no good. The Prime Minister expressed that opinion during the course of the speech delivered by the hon. member for Burrard (Mr. Clark). Now, I have discussed this matter with men who have a greater knowledge of maritime affairs than I have, and I find that the universal opinion is that, while the boats of the merchant marine are not the best in the world, they are fully equal to others of the same tonnage and class, and that, if properly handled, they should be able to give good service. What the ships need is more cargo; that has been their only trouble in the past, and the only reason they are not making money now is that they are not given sufficient cargo to carry. How can we secure that cargo? What chance have our boats against the boats of the combine or of any other line of steamships which have regularly established offices in foreign countries? The very fact that this government kept them in the combine was injurious to the merchant marine, because naturally these agents had affiliations throughout the country and directed trade to the boats with which they had had dealings for many years. The only way our merchant

marine could have succeeded; the only way it can succeed now, would be to give some inducement to the public to patronize the vessels. If the government would give a lower rate, making a ten per cent reduction in freight rates as compared with the other lines, the merchant marine ships would be filled with cargo. Is it not better to have a steamer filled at ninety cents than half-filled at a dollar? The management is the same, the overhead is the same; and the only way to make the marine a success is to see that it is properly represented abroad and to give a freight rate that will induce shippers to patronize it.

Not satisfied with keeping our boats in the combine, if there is a combine, the government went further. I would refer hon. gentlemen to a sentence or two quoted by the Minister of Trade and Commerce in his speech on this subject, which will be found at page 717 of Hansard. The statement he quoted is as follows:

> I feel that the steamship companies, including the Canadian merchant marine, are only preventing trade coming to them by demanding such exorbitant freight rates, and I sometimes think that the Canadian merchant marine are the worst sinners of the lot.

The correspondent goes on to give instances in which he had found it cheaper to ship by other lines rather than by our own boats.

I shall say a few words now regarding the contract itself. The country is obligated to pay at the rate of $16,600 per voyage regardless of the number of ships operated. If Petersen puts on one ship he gets a bonus; if he puts on ten ships he gets ten times as much; and it is not necessary for him to make any particular number of voyages per month or in a year. Sir William Petersen may make three or four voyages per year and he gets the same bonus; so that instead of $16,000 odd per voyage the amount he will get will be double or treble that sum. Let us take it on the other basis. Sir William Petersen invests a certain sum of money; at the end of ten years he has a full return for every cent of principal and interest invested and has $6,000,000 over and above that. And he has his ships entirely free of debt. There can be no question therefore about the advisability of the contract from Sir William Petersen's point of view; I should imagine that he and his associates would be most anxious to have it go through. So far as the people of the country are concerned, however, I can see no possible reason why they should be compelled to make a gift of that kind to him. There is absolutely no reason for it.

4 p.m.

[Mr. Arthurs.]

Now a word as to the fixing of rates. We were told, I think by the Minister of Agriculture, that the government would fix all rates; and the Prime Minister informed us that the government would select certain commodities. I do not care which horn of the dilemma they take, whether they decide to reduce the rates on all commodities or to reduce them on certain articles only, what I want to know is: how will the government reduce the rates at all or how will they find out on what commodities they should be reduced? As a matter of fact, it would be utterly impossible to lower rates by a certain percentage pro rata throughout; and we have no means of knowing whether the rates are profitable or unprofitable so far as the shipping companies are concerned. The government themselves do not know whether or not certain of the main articles of export come under the combine at all; they do not know to-day. There is not a man who has stood up in this House who will either affirm or deny that wheat, one of our principal articles, is free from the combination. I myself do not know; it is not my place particularly to know; but it would be my place to find out before making a treaty of this kind.

Before closing I want to re-affirm what I said before, that it is most desirable that the merchant marine should be put into open competition with the combine, if there is one, and that we should give the ships a fair chance to make money, and see whether by that means we cannot accomplish the end which is sought by the present legislation. I would point out again that the merchant marine is charged against the people at the rate of approximately $200 a ton, while the real value to-day is probably one-quarter of that. The people are charged with five per cent depreciation on that inflated value, and they are charged also five and one-half per cent interest not only on the money invested but on all back deficits. So that every time they go in the hole the interest is added on to the succeeding year. Now, it is not possible as a business venture to get along that way. There is not a business man either in this House or in the country who after the war did not write down his assets to an ordinary commercial value; if he did not he went out of business, he could not carry on. Why should we not do the same in the case of the merchant marine? I have no mud to throw at any scheme; I have no brief for the Canadian merchant marine; but I do think that we should give it a decent chance to live and see whether we cannot accomplish results.

Mr. HERBERT MARLER (St. Lawrence-St. George): Mr. Speaker, it was not my intention, for various reasons which it is unnecessary to relate to this House, to take part in this debate just at the moment; I had determined to wait until the report of the special committee to be appointed to consider this matter had been brought down. But the question is of such vital and far-reaching importance to the country as a whole that I do not think I should hesitate to state my view that the bill to be based on this resolution should be sent to the committee and there considered.

In the course of discussion in this House, particularly in the heat of debate, we are apt to lose sight of the most important point under consideration, either by simply side-tracking it or by submerging it in some other idea. In this debate the Petersen contract is not the main point under consideration; it is but an incident, a proposal which may or may not be ratified by the committee to which it is to be referred. To me the main point we have to consider, Mr. Speaker, is the advisability, indeed, the vital necessity, of having lower transportation rates in this country, rates from point of production to point of consumption which will enable those who grow things, and who raise things, and who manufacture things, to obtain reasonably profitable results. As to whether the Petersen contract is the proper method of bringing about that result, that is a question. There may be other ways of bringing it about; indeed, other methods may be suggested to the special committee which will deal with the matter. But what possible objection can there be to submitting the bill containing this contract to a committee which will inquire into the proper ways and means of bringing about a lowering of transportation rates? That is the attitude I take in regard to this measure.

Mr. STEVENS: Will the hon member permit me? Can he show me anything in this resolution which, if adopted, will carry this measure to a committee? Secondly, if my hon. friend supports this resolution is he not, on the face of it, approving the Petersen contract?

Mr. MARLER: My hon. friend's questions are perfectly proper, and I am obliged to him for putting them. It is quite true that there is nothing in this resolution which provides that the bill shall be submitted to a committee. But when he presented the resolution the Minister of Trade and Commerce (Mr. Low), at the outset of his remarks, pointed out that the bill would be submitted to a special committee. That, therefore, is clearly and distinctly stated, and I think it is fair in our parliamentary procedure to take the word of a minister who makes an assertion of that kind to the House. My hon. friend asks me also, if in adopting the resolution containing the contract we do not ratify the contract itself. I say to that, no; because the Prime Minister (Mr. Mackenzie King) has distinctly stated—I will quote his remarks later—that we shall be at liberty to bring the contract back into the House with such corrections, additions and amendments for the consideration of the government as the committee may think proper. But perhaps I will answer my hon. friend a little more fully later on, if he will forgive me in the meantime.

Mr. GOOD: May I ask a question just in that connection? Did not the Prime Minister say, at the same time, that if Sir William Petersen would not agree to any of the modifications suggested by the committee the government would stand by the contract as it is?

Mr. MARLER: No, I cannot understand it in that way. But if my hon. friend also will forgive me—

Mr. GOOD: I hope I am wrong.

Mr. MARLER: —I intend to take that matter up specifically in the course of my remarks. But by way of partly answering my hon. friend's question, I may say that I am supporting this measure on the understanding that it is to be sent to a committee. The main attitude I take is the attitude I have previously taken in this House and out of it—I emphasized that view particularly in an address before the Canadian Club in the city of Montreal on the fifteenth of December last—and I intend to adhere to it, namely, that it is absolutely necessary if we are to have profitable production in this country that we have such transportation rates as will enable that production to go to the markets of the world. So that, if I may repeat myself, I view the resolution now before the House as a means of enabling us to discuss the transportation structure so far as ocean freight rates are concerned, and I hope at a later day we shall have an opportunity of discussing the question of lower rates on land.

The hon. member for Vancouver Centre (Mr. Stevens), in his very proper question, suggests that if we approve this resolution we approve the contract. I do not think so,

because the Prime Minister stated in his speech two days ago that he concurred in the suggestion of the Minister of Trade and Commerce that this contract be referred to a special committee which should go thoroughly into all matters connected therewith. Now take the converse of the argument: Suppose sufficient members vote against the resolution to negative it, will the opportunity that we are all looking forward to, that of discussing the question of ocean freight rates, which beyond doubt are tied up with land transportation rates—will that opportunity be realized? We shall be enabled in the committee, with this contract before us as a basis of discussion, to hear witnesses and get all the information which it is necessary to have on the subject? I ask again, shall we have the same opportunity of discussing the great question of transportation if the measure now before the House is not referred to a committee? To me that is an extremely important point. I say quite frankly that I want to hear all sides of this question before making up my mind, but I do not want there to be taken away from me the opportunity of hearing the various ship owners and other transportation experts who will be called before the committee, and thereby enlighten me and enlighten the House on a subject which I think is one of the most difficult in the whole Dominion of Canada.

Mr. KENNEDY (Edmonton): Could not that object be attained without voting on this resolution at all?

Mr. MARLER: Yes, and that was the contention of my hon. friend from Bow River (Mr. Garland) last night in a most excellent speech. I think his idea was most excellent in every way, and I frankly say before the House I would very much prefer adopting the manner he suggested last night. But that is not the point at the present moment, if I may say so to my hon. friend. I am not at liberty, and my hon. friend from Bow River is not at liberty, to put that method of procedure before the House and to have it carried through the House. As a matter of fact, the procedure which he suggested he frankly admitted could not be brought before the House and carried through the House. Therefore I say the next best thing to do is to accept the procedure, accept the tools, which are now before the House, so as to enable us to have this measure brought before a committee and there discussed in the fullest possible way.

Mr. GARLAND (Bow River): Will not my hon. friend also state to the House that the government has full power to put into force the suggestion which I offered?

Mr. MARLER: Yes, I think my hon. friend is quite right in that respect.

Mr. STANSELL: I do not wish to interrupt, but there is a point of great importance which I should like cleared up. If this matter is referred to a special committee, and in their wisdom they recommend certain changes in some of the clauses of the contract, the contract if these recommendations were adopted would not, of course, be in its present form. Would it then be in order to go to Sir William Petersen for another contract? In other words, what would be the effect on the contract itself of adopting the changes recommended by the committee?

Mr. MARLER: Changes cannot be made in a contract without the consent of both parties; that is perfectly clear. If the contract comes back from the committee with changes in it which the government will not accept, or which Sir William Petersen will not accept, then the situation is again open for discussion on the floor of this House, and I am waiting for that situation. I admit frankly in answer to the question of my hon. friend that I am not doubting the good faith of the government as shown on the floor of this House in submitting this selfsame contract to a committee. In the discussion, responsible ministers of the crown have stated that if any changes are made in the present contract, if the spirit of the contract is not to be carried out, then the whole matter is open for discussion again; and I shall reserve my own attitude and my vote for that position, when the matter comes back again from the committee.

Mr. BOYS: Does my hon. friend say that if changes are made in the committee which are not acceptable to Sir William Petersen, the matter again returns to the House for further discussion?

Mr. MARLER: No.

Mr. BOYS: Surely if the government do not accept the changes made, that puts an end to it finally.

Mr. MARLER: The report of the committee has to come back to the House.

Mr. BOYS: Perhaps I misunderstood my hon. friend. I thought he stated at first that if the committee made changes which were not acceptable either to the government or Sir William Petersen that ended it. Then it seemed afterwards that he said the matter would come back again for further discussion

before the committee. What I submit is that if Sir William Petersen will not accept the changes made, that puts an end to the whole matter.

Mr. MARLER: That puts an end to the contract, but it does not put an end to further discussion before this House. The report of the committee must certainly be discussed in this House: there is no other place for the committee to report to but this House which has constituted it.

Mr. BOYS: I suppose my hon. friend will agree that the discussion would be futile, because if Sir William Petersen will not accept the changes, the contract is at an end.

Mr. MARLER: Not necessarily so. Let me put it to my hon. friend in this way—and I think he will acknowledge the open and non-partisan manner in which I am debating this point. Supposing changes are made by the committee, and that Sir William Petersen is not willing to accept those changes. Then without a doubt the contract would certainly not be the same contract, and consequently there would have to be another contract entirely. But what I claim is this, that all this discussion in the committee, and all the evidence that we shall have before us as regards ocean freight rates, cannot do else than enlighten our minds very much upon the whole situation, and perhaps enable that committee to suggest to the government some means, which may or may not be acceptable, but which in the committee's opinion will go to the root of what I claim is one of the most vital and one of the most serious problems with which this country has to deal.

Mr. STEVENS: Then why should not this matter be referred to this investigating committee prior to the confirmation by this House of this contract?

Mr. MARLER: I answered that question in reply to my hon. friend from Bow River a few moments ago.

Mr. STEVENS: No.

Mr. MARLER: Yes, I did, but I will answer it to my hon. friend. There is no reason in my opinion why it should not be so submitted, and I would prefer to see it so submitted myself. I think my hon. friend cannot doubt the straightness of that answer.

Mr. GOOD: Does my hon. friend think that in the event of the committee voting against the contract, the government would be willing, in view of all the evidence submitted before the committee, to consider some other method of controlling rates?

Mr. MARLER: I am not speaking for the government in any way. The government may not look on me as a very good adviser in certain matters, as my hon. friend knows. But I would be extremely surprised if that committee brought forward some other means for coping with this situation and the government did not accept what was brought forward by such a committee. I would, in fact, be very disappointed indeed if the government did not.

But let me again say to my hon. friend from Brant (Mr. Good) and to other hon. members that the reason I am supporting this means of getting the matter before the committee, in the absence of other means of getting it there, is so that this whole transportation question can be open and we can have people before the committee who know their business, and who can tell us what the situation is; and then we will be in a position to judge, not as men without knowledge, but as men with all the possible knowledge that can be placed before us, and thereby be in a position to cope with what I consider, and what I believe most hon. members consider to be a serious and vital problem in this country.

But there is more than that. These steamship companies have been reprimanded. They have been questioned. It has been stated that a combine of the most serious nature exists. It has been stated that they have been killing trade, and many other statements of that description have been made. These steamship men will have an opportunity of appearing before that committee and of justifying their charges, if they claim they can be justified; and if they are not justified in charging these rates, we will perhaps be able to place before these steamship men and other witnesses appearing before the committee certain means whereby not only the country but the steamship companies can be assisted, and be allowed to go on with their business in a just and reasonable way.

Let me make it quite clear, Mr. Speaker, that my intention in voting for this resolution is to ventilate the situation and be seized of all the possible intricacies of transportation rates, and so be in a position to advise my constituents as to what should be done in the interests of the country as a whole. That is the position which I have already taken in the city of Montreal, and it is the position which I intend to adhere to. I want the information and proof placed before me so that I can substantiate in every just and reasonable way the position which I have already taken. If this resolution to me meant the depriving of any company or

any individual of any right that they were reasonably and properly entitled to exercise in the course of their business, I doubt very much whether I would support it, but I do not think it will have that effect.

Let me for a moment remind hon. gentlemen in the briefest possible terms of what I said in the debate on the Address. At that time after considerable study and, I think, with correctness, I analyzed to the best of my ability the financial situation of the Dominion, and the conclusion which I then reached on the figures submitted—which I in no way intend to re-submit to-day—was that until our railways could be made to pay we would have no chance in the world of reducing the taxation which the country needs in the very worst possible way. In order to make our railways pay, I quoted the old and oft repeated phrase, that we had to have more people in this country. But I added that we could not retain our present population, much less could we expect to get newcomers, unless those who were here could profitably live by means of their production. I stated at that time in the most positive terms that any immigration policy would fail, no matter how wisely conceived and how efficiently carried out, unless the immigrants brought here could profitably produce and live in reasonable comfort. Otherwise they would not stay, and consequently we would not only lose our population but it would be impossible to secure others to take their place, and any money spent on immigration would therefore be wasted. Those opinions I stated again in the city of Montreal on the fifteenth of December last, and I repeat them to-day.

Following down the idea underlying those opinions, Mr. Speaker, can you tell me how we are to have profitable production in certain sections of the Dominion unless we have reasonable transportation rates? How can we, looking at the map of Canada and realizing the way our population is scattered over such a far-flung area—how can we, I say, expect those people to be successful unless they have reasonable transportation rates to get their products to the point where they are to be marketed? I said then that it was not a question to me of Crowsnest pass rates, nor, I may add, of combine rates; to me the question is that these rates, both ocean and rail, must be fixed in such a way as to enable the products of the country to reach their market so they can compete with like products from other countries. Further, I said—and I have repeated it in my own constituency—that perhaps the railways and the steamship companies could not give such rates and continue in operation. I believe that these transportation companies should be allowed to live, and I do not think any fair-minded man would deny that they should have sufficient remuneration for the services they have to sell. But if the transportation companies cannot give us the low rates I have in mind, and continue in operation, then some other means will have to be found to bring down transportation rates to a point that will enable our products to reach their market at a profit to their producers.

That brings me, it is true, to the question of subsidies. Hon. gentlemen need not doubt my opinion in this regard. I do not think subsidies are economic in many ways, but we have to take into consideration not what perhaps at the moment is the most economic way. As a matter of fact we have not an economic country to develop. Our natural market for many of our products of the west is a few miles to the south; that is the natural market for much of our Alberta coal and other products of the west. But can we get that market? No. Therefore we have to haul those commodities across the continent in a most uneconomical way and then transport them across the ocean in order to reach their point of market. And therefore when we talk about subsidies, although they may be uneconomic, still they are necessary, I claim, in order to bring transportation rates down to a basis sufficiently low to take our products to the final destination where they can be marketed. It is quite true that it may be possible to do without subsidies to some extent, to so balance up our transportation rates both by land and by water that certain commodities will be made to bear a little heavier rate and allow other basic commodities a necessarily lower rate. That is what I want to find out, and this special committee will enlighten me because transportation experts will appear and tell us whether it is possible or not to make transportation rates on the basis I have suggested.

Mr. WOODSWORTH: Would not the hon. gentleman's purpose be equally well accomplished if there was a subsidy paid to the farmers instead of to the railways?

Mr. MARLER: My hon. friend from Centre Winnipeg (Mr. Woodsworth) is absolutely right in that respect, and I am very glad indeed that he has mentioned the point to me. I was going to deal with it later on, but I will take it up now. The question which always has arisen in my mind is whether from

point of production to point of consumption any lowering of transportation rates might not be entirely lost and the actual producer not reap any benefit at all. I think that is the point my hon. friend raises. There is no question that our system of distribution is one of the most expensive in the world. To my way of thinking there is no question that the farmer produces at a low rate and sells at a low rate, and yet when you come to the retail distribution the consumer is charged an enormous rate. Where does the spread go? I do not know. Likewise in the question of transportation, if a rate is made on cattle or some such other commodity, I am not so sure that the lowering of that rate will go as I should like to see it go, to the producer. And I for one agree with my hon. friend from Centre Winnipeg that it would be a great deal better if possible, and it would hit the situation right at the initiation and at the point of production, to say to the cattle producer: If you ship a hundred head of cattle we will see that so much per head is taken off your transportation rates. And we could go to the transportation companies and make a reasonable basic agreement with them.

Mr. KENNEDY (Edmonton): Suppose we go in for a somewhat comprehensive system of subsidies, that will mean additional taxation.

Mr. MARLER: Oh, yes.

Mr. KENNEDY (Edmonton): Unless we solve the problem of the incidence of taxation, you may just be taxing the people who get the subsidy the full amount of the subsidy in order to pay it.

Mr. MARLER: That is true to this extent only, and my argument is this: that if you increase our population very greatly in this country you will increase the traffic which we give to our railways. If my hon. friend will look at the financial statement of this country year by year he will find that we are making our way, excepting in so far as our railways are concerned. Give the railways sufficient traffic and the railways will themselves make up that deficiency. I agree with my hon. friend who has just taken his seat that it may be that we will have incidental taxation, but that taxation I claim would be overcome very quickly if we have an increased population to increase our traffic. But let me put it to my hon. friend the other way. Suppose we do not do that, and suppose we still maintain a transportation structure and a transportation rate which does not pay the purchaser to ship his animals or to ship his produce, will those producers remain in the country? They will not, because they cannot make a living. Therefore it should follow that if we have a larger exodus from the country the present taxation will be increased still more.

This resolution will send this bill before the special committee, hence I think the government has this aim and this object in view: namely that they desire this discussion to be had before the special committee of the House to be formed, so that that committee can be seized of the matter and submit to the government a plan for the developing of a profitable production in this country, the procuring of profitable markets, and thereby retaining our population and attracting new population. And further I take it that the government has no desire to deprive any person or company of a just return on any investment made by him or it. I am sorry the Prime Minister (Mr. Mackenzie King) is not in his seat. I should like to have asked him that particular question. I think his answer would be yes. If his answer were yes it would show me that in supporting the reference of this measure to a special committee I was supporting the carrying out of the identical ideas I have myself in mind: that is to say, the development of profitable production in this country.

I will return for a moment to the question of ocean rates. I said in part of my remarks that the shipping companies had been subject to very serious and adverse criticism. That criticism did not start merely at the time of the Preston report. It did not start in the fairminded way in which my hon. friend from Brome (Mr. McMaster) placed the matter before the House in his report. It did not start with the letters which the Prime Minister read to the House some days ago. It started very much further back than that. My right hon. friend who leads the opposition (Mr. Meighen)—and I may say, Mr. Speaker, that I am not quoting him in any partisan way—went into this question with the utmost clarity and fullness in a debate as far back as 1913. He made a most illuminating speech on this question of transportation rates. He placed the whole question before the House, and from the manner in which he dealt with the subject no one could doubt where he stood. I say again that I do not quote my right hon. friend in any partisan viewpoint, I simply quote his clear remarks as emphasizing the question that transportation rates have been before this country for many years before the present reports were brought be-

fore the House, or before the present debate took place at all. I will read some of the remarks which my right hon. friend made at that time. He first of all asked for leave to move the adjournment of the House for the purpose of discussing a definite matter of urgent public importance, a proceeding which, as hon. gentlemen are very well aware, is, to say the least of it, a very unusual proceeding, a proceeding which predicates at least that there is a very important matter to bring before the government, one which should not be put off for two or three years, but which is to be taken up at once. In moving that adjournment he—

> Asked for leave to move the adjournment of the House, for the purpose of discussing a definite matter of urgent public importance, namely, the rapid and alarming increase in rates on the north Atlantic and the duty of the government in relation thereto.

Now I am not assuming the attitude of any partisan in so far as the matter of steamship companies is concerned. I am not at this moment criticizing their rates and I am not criticizing their means of procedure, and I am not saying that the Petersen contract as submitted to the House in the form it now stands is the most satisfactory manner of solving this problem, but what I say is that if in 1913 this matter was one of great urgency, it is far more urgent now, because the difficulty of the situation in this country has increased more and more in the way of taxation and expenditure, by reason of the fact that we have acquired many miles of railways that we must feed, which means that the question of profitable production and profitable markets is far more important now than it was in 1913. I do not think anybody can deny that assertion. Following on in that speech my hon. friend said:

> Whatever may be said upon that score, there can be no question that the subject is one of great and increasing importance.

Further on he says:

> With the exception of the United States of America, no country is so vitally interested in ocean rates on the north Atlantic as is the Dominion of Canada. We import very largely from the United Kingdom; we sell a great part of our surplus products to the United Kingdom. On the reasonable level—

I ask hon. gentlemen to mark these words.

> —on the reasonable level of ocean rates depends to an enormous extent the profits from that trade, and consequently depends to an enormous extent the prosperity of this country.

Let me repeat to my hon. friends opposite that I am not quoting the right hon. leader of the opposition in any contentious or malignant manner, or with any idea of making party conflict or with any party idea. I quote these opinions because I respect them.

[Mr. Marler.]

I believe these opinions at that time were well considered. I believe at the present time we have to consider precisely the same questions which were brought up in this debate in 1913; that we have to understand them and to settle them; that we must not take the attitude in a childish way that there are in this country certain people, owners of steamships who are not doing right; but we must ask those owners of steamships to come before this committee, as they will come, and state their case in fairness and equity to this committee, so that we, as representatives of the people of Canada, can try, if possible, to make rates which will be fair to them and fair to us also. Further on, my right hon. friend who now leads the opposition said, also in clear terms:

> Whatever may be the difficulties of the solution, its magnitude will demand that it be attempted.

Then he gives a statement of rates. Further on, in the closing remarks of his address, he stated that at that time he thought a monopoly existed, and stated also in very clear and precise terms that he thought the question of monopoly should be looked into. He stated this not in arrogant or unreasonable terms, but in the same terms as I am speaking in this House to-day, that we need, desire and want information on this subject before we enter into any new contract, and also with the object in view that we shall attempt to make these rates, if possible, what they should be.

Curiously enough, the same attitude was taken in that debate by my friends in the Conservative party. Hon. George Perley, now Sir George Perley, was Acting Minister of Trade and Commerce in those days. The debate of which I speak was most protracted, but my right hon. friend (Mr. Meighen), who at that time was a simple private member, used these words which are most significant and which I share in every respect:

> At all events, the purpose of my bringing this discussion up is to draw the attention of the people of this country through this parliament to the great increase that has taken place, to call attention to the serious aspect of this matter in relation to our prosperity and to enlist behind the government the active co-operation and sympathy of the Canadian people in whatever steps they may see fit to take in order to bring about a betterment of conditions.

That is the stand which I take on the floor of this House to-day. I want to enlist the sympathy of all members of all parties in this House in a non-partisan movement, if it is possible to make such a movement, in order to investigate and to inquire into this situation, to see if it exists, and if it does exist, to see if we cannot better it. No hon. gentleman can deny the fairness of that

attitude. No one in the city of Montreal, not even my hon. friends who are in the steamship business, can deny the fairness of that attitude. Nobody can meet me in my constituency and say that I want to do anybody any harm, or that I am trying to do something that is not right. All I say is, using again the words of my right hon. friend: Let all the people in Canada clarify their views and come forward and see if this situation cannot be bettered for the general good of the whole country. What does this mean—the general good of the whole country? What is the use of us in the city of Montreal stating that we there shall not have an investigation in order to ascertain whether this is right or wrong? Is the welfare of the city of Montreal not bound up with the welfare of the whole country? Some people do not think so.

Mr. McMASTER: They are ignorant, if they do not.

Mr. MARLER: Well, some people do not think so. Some people question anything said against a certain policy which may be here or a certain policy which may be there. I am not one of those who say that any one fixed policy is good for the whole country. What I say is that this whole country has to move forward as one country and we must develop it in the fairest and most reasonable way with a view to all its interests.

But continuing this discussion, as I stated a moment ago, the debate of the 5th May, 1913, took a considerable time. At that time Sir George Perley was Acting Minister of Trade and Commerce, and subsequently he was Canadian High Commissioner. What were his words in 1913? What did he think of the attitude of my right hon. friend who at that time was a private member and who brought this matter before the House? Did he oppose it? Not at all. These were the words Sir George Perley used, and the words were well used in reference to the statement made by my right hon. friend:

> I think the thanks of this House are due to the hon. member for Portage la Prairie (Mr. Meighen) for bringing up this question in such a fair and non-partisan way.

That is the same way that I speak in this House to-day—in a fair and non-partisan way. That is why I have no hesitation in asking every hon. gentleman in this House to view this great question in a fair and non-partisan way, so that we can discuss it and understand exactly what the situation is. Sir George Perley continues:

> I believe this is one of the most important problems that we have to face in Canada to-day, the question of ocean rates on our produce going to the Old Country. Western members have chiefly spoken on the question of ocean rates, and I am rather sorry the discussion was not confined to that particular phase of the transportation problem.

Then he goes on:

> The transportation problem is one of the greatest problems, perhaps the greatest, that we have to face in Canada.

Mark these words, my hon. friends. I have quoted them time and time again. They contain my views, for what my views may be worth, but they are words we should all mark well. Sir George Perley continues:

> We have built great canals, we have spent money on our railways and we have taken the step of providing a railway commission to regulate rates, a commission of which I think we are all justly proud.

He goes on to say that the commission is performing its duty efficiently. But what I want to draw to the attention of hon. members is this: We have our railway system, our canal system, our highway system. What good is all the money that has been spent on all these systems going to be unless we have people in Canada to use these systems? How are we going to keep people in this country and put them on the farms or anywhere else, unless their production is profitable? No hon. member, looking at a map of this Dominion, can say that the question of transportation, particularly the bridging and going across of that vast expanse of rock that runs west of Sudbury for some hundreds of miles, with the geographical problems we have before us, can be considered in the same way that the question of transportation is considered in the United States which has a large intermediate market before the products of that country reach the seaboard. We have not that market; we cannot stop at the seaboard; our produce has to go over the ocean before it reaches its market, and that is the question we have to consider now.

In the same debate Sir Robert Borden, who was then Mr. Borden and who if I mistake not, was Prime Minister, also emphasized previously the same point. These were the closing words of his remarks:

> A country such as this, which has a great export trade in agricultural products, particularly in cereals, notably in wheat and in flour, is undoubtedly deeply interested in the establishing of reasonable freight rates, and no matter could more worthily engage the attention of parliament than the bringing about of any legislation which might tend to remove any injustice or hardship in this regard that may have been created in the past or that may exist at present.

So I say, I gather a great deal of encouragement from that particular debate.

I think that what was stated in that debate was sound common sense, and that is precisely what I hope will happen in view of this bill going before a committee.

Let me now take up another point, and I again quote my right hon. friend who leads the opposition (Mr. Meighen). I am sorry he is not in his seat because I should like him to hear it. He has a resolution on the order paper at the present time, the last paragraph of which reads:

That to enable the products of the western and Maritime provinces to reach more readily the markets so developed—

Mr. STEVENS: Order.

Mr. SPEAKER: The hon. member may not quote a motion of which notice has been given and which appears on the order paper,—

Mr. MARLER: I apologize, Mr. Speaker.

Mr. SPEAKER:—although I must say that the Prime Minister the other day quoted a part of that same motion.

Mr. STEVENS: I would rise to a point of order simply because my leader (Mr. Meighen) is not here, and even if he were present he could not discuss the motion. So that if the hon. member quoted it he would have an advantage which would be wholly unfair.

Mr. SPEAKER: The hon. member was no doubt out of order.

Mr. MARLER: My hon. friend is perfectly right and I take no exception whatever to his point of order. I may refer indirectly, however, if that is in order, to certain views as expressed in a particular resolution now on the order paper, which declares—

Mr. STEVENS: Order. I do not wish to appear captious, but it is a well-established rule that a motion on the order paper may not be discussed by an hon. member while he is speaking to some other subject before the House. The reason for my objection is obvious. The right hon. gentleman in whose name the motion in this instance stands is absolutely precluded from discussing its subject matter himself; he cannot even reply to the hon. member who raises it. The situation is therefore clearly unfair.

Mr. MARLER: I myself stated in the city of Montreal on December 15 that, in order to allow the products of the west and of the Maritime provinces to reach their markets profitably, transportation rates should be so fixed, if necessary, as to have them borne in part by the country as a whole. That opinion which I expressed at that time has been repeated by others; it has been commented on in this House by the Prime Minister and it has been repeated also in the daily press. I would ask this question: What is the use of levelling transportation rates on land if we leave the rates up in the air at the end of the land? Why not continue the levelling process so that the products may be subject to a reduced rate on board

5 p.m. ship until they finally reach their market? It seems to me that this line of argument is reasonable; and as I suggested it in the city of Montreal, and as others have suggested the same thing elsewhere, I think it would be futile for me or any other gentleman who has taken that view to come before the House and say, "Yes, we should level transportation rates on land to a certain figure and if necessary have the whole country bear the cost; but we must not carry that principle further and also attempt to have our ocean rate structure made in such a way as to be compatible with land rates in order that the same products shipped from the same place, in the prairie section of the country for example, might reach Liverpool, Dundee, Aberdeen or any other port on the same equitable basis." I do not think that such an attitude is rational. In order to establish some parity between land and ocean rates the government has brought down, as a basis for discussion, a certain contract made between it and Sir William Petersen. That contract is at present before parliament in the shape of a resolution and will later be embodied in a bill.

But mark this: the contract is subject to ratification by parliament. There is a special clause in the agreement providing that it shall be ratified, and until it is so ratified it does not become a contract at all. The government have not come forward in any unreasonable attitude. They do not say: "Here is a contract, take it or leave it. We do not care what members on this side or opposite may think about it; we do not care what their attitude may be. We have made the contract and it is for you to take it or leave it; but you shall have nothing more whatever to say about it and nothing further to do with it." From the very initiation of this debate the government declared that the contract would be submitted to a special committee for consideration and that that committee would have every means of thoroughly examining into the agreement to decide whether it was good or bad. That statement was repeated by the Prime Minister in his address the other day. Exception has been taken to

that stand on the part of the government as one that is not characteristic of other parliaments; it is said that other contracts having been entered into by a government, and having been signed and sealed, they have simply been submitted to parliament to be accepted or rejected as parliament might see fit. That is not the attitude of the government in the present instance. And what is the difference? In those days when other contracts were ratified the questions involved were entirely different from the one under consideration now. It was not then a matter of building up a general scheme of transportation rates; it was not a matter of production on a large scale; it was not a matter in which the profitable livelihood of the people at large was at stake. All these things are vitally involved in the present contract and therefore it is only fitting that the government should afford parliament, through a special committee, an opportunity of studying the contract from every point of view and of offering such amendments as may suggest themselves. And I am free to admit that had the contract been brought down in such a way as to preclude discussion, had I been asked to accept a grave situation of this kind without the fullest means of investigation, I should have hesitated before committing myself. But that is not the case, and that has been made perfectly clear, to me at least, in the Prime Minister's statements. The Prime Minister declared, at page 1212 of Hansard:

> Whether the method which the government is taking to control ocean rates may be effective or not is a subject which, I think, admits of debate and which should be discussed fully and carefully.

He then points out what the Minister of Trade and Commerce (Mr. Low) had said.

> The agreement which the government has made with Sir William Petersen with respect to placing on the Atlantic the ten ships mentioned, will be sent to a special committee of this House, together with the bill in which it is included, for full consideration, and that hon. members will have the opportunity afforded by such a select committee to weigh carefully all sides of that agreement, and to pass upon it, only after they have thoroughly considered it.

These words of the Prime Minister are, I think, of considerable weight. But there is more than that. I quote from page 1213:

> The point I wish to make clear at the moment is that the government was careful in presenting this resolution to indicate at the outset that the intention was that, once the resolution was carried and the bill introduced and given second reading, it would be referred to a select committee of the House on which there would be representatives of the different parties in parliament, and that such committee would have all the powers which belong to a select committee of parliament, to investigate and consider the merits of the particular proposition submitted.

And further on the Prime Minister says:

> I want to make that clear because I have noticed in the course of the debate that some hon. members have felt some hesitancy about supporting the resolution as introduced, fearing that they were committing themselves in some way to the specific terms of the contract.

To revert to what I said at the commencement of my remarks: Here is a contract submitted by this government as a basis for discussion, to be referred to a special committee so that we as a whole can come to a decision whether the contract is a wise and fair bargain for this country to enter into.

There is another point I want to take up, and it is a point which more or less concerns myself and my own constituency. I do not take it up for that purpose, because I say quite frankly I believe that the question of transportation rates should be solved and must be solved. But I want to make this point also clear: Many of my friends are heads of steamship companies. I respect them; I am sure they are honourable men in every way and I believe they are doing the best they can in their own way to develop this country. I for one would not like to see anything done which would deprive them of what is their fair and just due. Does this contract deprive any steamship company or any persons operating steamships of what is their fair and just due? I do not think it does, because provision is made in this contract for the making of a similar arrangement with other companies. Further than that, the Prime Minister in his address on the seventeenth instant, page 1215 of Hansard, says:

> And may I say here, Mr. Speaker, that the government has made it known from the outset that it was prepared to make a similar contract with any shipping company in this country that was prepared to give it like terms. The government to-day is prepared to give the Canadian Pacific Steamship Company and other steamship companies doing business out of Canadian ports, the opportunity of entering into a contract along identical lines with the Petersen contract, if they are prepared to do the same as Sir William Petersen is prepared to do.

That is perfectly clear. If any steamship company, learning how the rates are to be made under this Petersen contract, come before this committee and offer to do the same thing, a like contract may be made with them. It may be urged by some of the steamship companies that the government will establish rates which are unfair, but I do not think that is the point in question. Anyone who is accustomed to reading contracts and acts of parliament will know that matters of this description have to be put in more or less general terms, and when the government invites other steamship companies to come forward and agree to a similar

arrangement, that does not mean that the government intends to give them anything other than a fair deal. I think my hon. friend the Minister of Railways and Canals (Mr. Graham) will confirm that.

Mr. COOTE: Does the hon. member think this country could afford to pay this subsidy in respect to every ship that would be needed to handle our traffic on the north Atlantic?

Mr. MARLER: Yes, if it increases profitable production. We will have to go about it in this way in order to reach our markets more cheaply.

Mr. MEIGHEN: Can the hon. member give us an estimate of what the annual subsidy would be?

Mr. MARLER: Under these conditions?

Mr. MEIGHEN: Yes.

Mr. MARLER: No, I cannot do that. I can tell my hon. friend a great deal but I cannot tell him just that. Can he give it?

Mr. MEIGHEN: Yes, I think so. It would be just about $34,000,000 per year.

Mr. MARLER: I cannot question my right hon. friend's figures, but that $34,000,000 would go to increase the traffic on our railways and would get less and less on that account.

Mr. MEIGHEN: I have not seen so great faith!

Mr. MARLER: Not at all. There is nothing I would like better than to debate that point with my right hon. friend. The right hon. gentleman has been out of the chamber this afternoon but I would point out to him —in fact, I made the assertion in the city of Montreal—that if our railways are to pay we must have greater traffic on them; the only way to get greater traffic on them is to get profitable production; and the only way to get profitable production is to have more people. How can it be denied, having regard to our geographical situation and our scattered population, that we must even, if necessary, subsidize certain basic industries for the purpose of promoting them until our population increases to such an extent that traffic will be given to our railways and our railway deficits gradually eliminated? I can see no other way of doing it.

Mr. MEIGHEN: Is the steamship business a basic industry?

Mr. MARLER: Now, my hon. friend is not fair.

Mr. MEIGHEN: That is what we are subsidizing here.

[Mr. Marler.]

Mr. MARLER: No, no; that is not a fair attitude to take. The steamship industry, my right hon. friend knows, is simply a transportation agency. I am not talking about steamship industries; I am talking about the ordinary industries of the country. In order to promote those industries it is necessary to have lower rates. That is a fair statement, and I know my right hon. friend agrees with me in that respect; he does not deny it.

Mr. MEIGHEN: Suppose we start in with a race of subsidies on steamships in order to get to the goal that my hon. friend is seeking, thereby incurring an expenditure of thirty-three or thirty-four millions a year, does my hon. friend not think that other countries will start in the competition with us? And if so, where will we land?

Mr. MARLER: That is not the point at all. Will my right hon. friend say that it is advisable to lower land transportation rates unless water transportation rates are lowered at the same time?

Mr. MEIGHEN: I did not get the question.

Mr. MARLER: My right hon. friend has pronounced himself in the press and otherwise in favour of the advisability of lowering certain transportation rates on land, and if necessary—I do not know that it is necessary, but it may be; I am in agreement with him in this respect—if necessary, having those burdens borne by the country at large. The question I put to him is this: What is the advantage of lowering land rates unless the water rates also are brought to a reasonable figure? Are you going to leave the stuff on the wharf at the end of the railway journey and not transport it overseas? Does my hon. friend get my point?

Mr. MEIGHEN: Oh yes, but I never said it would not be advantageous to have water rates lowered; nobody ever argued that in this world that I ever heard of. But there is any amount of land transportation that is interprovincial, and the great purpose of low rates over the long distance is to bring the provinces closer together, rather than to have relation to export. Does my hon. friend not see the point?

Mr. MARLER: Certainly, I see the point perfectly clearly, but my right hon. friend is absolutely begging his own question. He has stated time and time again in this House that he does not confine the question of lower rates simply to interprovincial traffic. What

is the use of interprovincial traffic anyway? Are you going to sell all our cattle from the prairie provinces in the city of Montreal, and all our wheat from the west in the province of Ontario? That is interprovincial.

Mr. MEIGHEN: Does the hon. member think that interprovincial trade is no good?

Mr. MARLER: Not at all.

Mr. MEIGHEN: You asked me what good it was.

Mr. MARLER: I want something a little better than interprovincial traffic.

Mr. MEIGHEN: So do I.

Mr. MARLER: When my right hon. friend comes to debate another part of this subject I think he will agree with me that transportation rates have got to be lowered over the long haul in such a way as to bring our products to tidewater. That is the only good of lowering transportation rates, and that is not interprovincial.

Mr. MEIGHEN: Both should be lowered.

Mr. MARLER: Now my hon. friend agrees with me; I knew he would sooner or later.

Mr. MEIGHEN: I always did, but you did not see the point. You only thought you did.

Mr. MARLER: Now we are in agreement on that point. We get the cattle on the wharf at Montreal, the rates in the meantime from Alberta being lowered—we will leave out of the situation just now the manner in which they have been lowered. The cattle are on the wharf at Montreal, subject, remember, to a lowering of rates. Now does my hon. friend say for one moment that we should not attempt in some fair, reasonable and just way to lower the rates on these cattle to Dundee and Aberdeen?

Mr. MEIGHEN: Nobody ever suggested we should not.

Mr. MARLER: Does my hon. friend deny that it is worth while looking into that?

Mr. MEIGHEN: I never did deny it.

Mr. MARLER: He has denied it by the amendment before the House. He has tried to throw this discussion out of the House. That is the point I made some time ago, and I am very sorry he was not in the House.

Mr. MEIGHEN: I have been out quite a while. But would my hon. friend say now, does he favour this contract or does he not? Now, please give me an answer.

Mr. MARLER: That is not the point at all. If my hon. friend had been here a little while ago he would have heard me quote word for word and letter for letter his address in the debate of the 5th of May, 1913. Now I would recommend most humbly that he—

Mr. MEIGHEN: Why not answer the question?

Mr. MARLER: Just one moment; I am answering it. If my right hon. friend compares my remarks in Hansard to-morrow with his own address of the 5th of May, 1913, he will see that I have stated word for word and letter for letter exactly what he stated himself.

Mr. MEIGHEN: I will admit, then, the hon. member has made a good speech. But will he now be good enough to answer the question I asked?

Mr. MARLER: Most of my speech has been based on my right hon. friend's address, so it could not be otherwise than good. Answering the question if I approve of the word and letter of the Petersen contract, I approve of having that contract sent to a committee for investigation as a basis for discussion.

Mr. MEIGHEN: That is not the motion.

Mr. MARLER: Why certainly it is. I wish my hon. friend had been in the House before, because he would then have received a great deal of light on the situation; but unfortunately he did not do me the honour of hearing me repeat his speech of May, 1913, and hear my reasons.

Mr. MEIGHEN: I have not got much light lately from the hon. member.

Mr. McMASTER: If the leader of the opposition had been in his place he would have had some light.

Mr. MEIGHEN: Why? Was the hon. member for Brome (Mr. McMaster) speaking?

Mr. McMASTER: He was listening attentively.

Mr. MARLER: Mr. Speaker, I think I have explained pretty clearly the attitude which I take on this measure. I do not think it is necessary for me to continue my remarks any longer, unless my right hon. friend the leader of the opposition desires me to repeat them for his enlightenment, which I shall be glad to do, or unless he has any questions to ask.

Mr. MEIGHEN: I will put another question as soon as I get an answer to the last.

Mr. MARLER: I have answered that question in the course of my remarks, not once, but half a dozen times, and I would commend to my right hon. friend the reading of my remarks very carefully in Hansard to-morrow morning. He will find they are based almost literally on his own remarks of a few years ago. He will probably not be able to recognize them except as being his own.

In conclusion, I have only to repeat that I am desirous of having all the necessary information brought before this committee. We cannot without that committee have any basis for discussion. I had intended to say a few words about the Canadian Government Merchant Marine, not to discuss why it was built or should not have been built, but I would say this to the government: If it is possible to use the merchant marine for this purpose, that suggestion might be very well worth while taking into consideration; but that question also will be taken up before the committee.

Mr. COOTE: Would the hon. member be good enough to inform the House how in his opinion the money for this subsidy should be raised? How are we going to get this $30,000,000 required for the subsidy?

Mr. MEIGHEN: By income tax.

Sir HENRY DRAYTON: And more income tax.

Mr. MARLER: Not at all. My hon. friends on the other side are afraid to take a fair and reasonable attitude towards a matter of this description. Perhaps they are afraid it will be successful. I do not know whether it will or not.

Mr. MEIGHEN: Don't forget the hon. member for Macleod (Mr. Coote).

Mr. MARLER: Let me repeat for the benefit of my hon. friend from West York (Sir Henry Drayton), if my hon. friend from Macleod will excuse me for a moment, that this carries out precisely and identically the idea my hon. friend has in his own mind. It is an extension of it—nothing more and nothing less. It is not a question of more income tax, except perhaps in the meantime. But will my hon. friend from West York tell me how we are going to get more traffic for the railways unless production is made profitable?

Mr. IRVINE: Refer it to a committee.

Mr. MARLER: Certainly, refer it to a committee. That is what my hon. friend from East Calgary (Mr. Irvine) always wants to have done. He would have this whole House a committee to discuss credit and everything else, if he had his way. But he objects when a serious measure of this kind is proposed to be referred to a committee, and says: "No, I will vote against that. I will take up the time of the Banking and Commerce committee for two or three months discussing lines of credit, and bringing people out from England to give evidence."

Mr. IRVINE: I would ask my hon. friend if he has read the resolution, and if not, if he will kindly read it to the House.

Mr. MARLER: No, I will not. My hon. friend can read it for himself just as well as I can read it to him.

Mr. IRVINE: I just wanted my hon. friend to know what the resolution was that he is supposed to be discussing.

Mr. MARLER: Mr. Speaker, I conclude these somewhat drawn-out remarks. This measure will be submitted to a committee for investigation, to determine first of all whether there is a combine or not; secondly, if that combine is malignant or not. At that investigation the officers of the various shipping companies will have ample opportunity to state their case in every particular. That committee will then be enabled to come to a decision as to whether or not ocean rates can be profitably reduced in the manner suggested, and report to the House accordingly. If they cannot be profitably reduced, then the point I make—and it is the main point of my whole argument—is that they will have an opportunity to suggest to this House such other means as will bring about this most desired and this great end.

Mr. T. L. CHURCH (North Toronto): Mr. Speaker, I wish to take this opportunity of congratulating the hon. Minister of Trade and Commerce (Mr. Low) on his rapid advancement to the important post of First Lord of the Admiralty; and after listening to the splendid speech of my hon. friend from St. Lawrence-St. George (Mr. Marler), whom I think I may regard as the junior Lord of the Admiralty, I have no doubt that one of the ten ships of the Petersen fleet will be named after him.

The question of ocean rates and their regulation is not a new one. It has been the subject of prolific inquiry and discussion since 1896. Are rates too high? Can they be reduced? And how? Is there a combine? A monopoly? A restraint of trade? In bringing down this contract the government ask us to validate it. But it is already signed, sealed

and delivered by the two parties thereto, His Majesty the King, represented by the Minister of Trade and Commerce (Mr. Low), and Sir William Petersen, and is enforceable in the Exchequer Court of Canada. Now the government say the contract cannot be varied and that they are prepared to stand or fall by it. This is their plan to bring about a reduction of ocean rates. Well, there are three or four ways of attempting relief: One, by the appointment of a joint imperial board, similar to our railway commission, who have jurisdiction by legislation; second, the government's subsidy plan; third, the development and encouragement of tramp ships and indirect aid to them in more freedom of use of our ocean ports.

This particular method has been approved by the Interstate Commerce Commission. The government are relying on the report of a special committee of the House regarding agricultural conditions, presented to the House a few years ago. This committee was not appointed for the purpose of dealing with ocean rates. It was appointed to investigate agricultural conditions, but instead of staying in their own pond they wandered away out into the lake and the ocean. I would not call their rate "investigation" an investigation at all. True, they had prominent agriculturists appear and give evidence, but so far as my recollection goes only a few railway officials were called on the question of transportation and ocean rates. Yet to-day the government are basing their action in this matter on the report of that committee.

In contrast to that report let me call the attention of the House to the report on interstate, international, and ocean transportation of the committee on Interstate Commerce of the United States. That committee summoned world-renowned rail and shipping experts, including Mr. Acworth, the British railway expert who jointly with Sir Henry Drayton, reported on Canada's railways. This report shows that competition on the ocean is the prime factor in regulating rates. For instance, before the opening of the Panama canal practically every large city and town of the United States was in rebellion against railway rates, but with the competition which followed the opening of the Panama canal, the competition of rail versus water, the railways of that country were brought to time. I am sorry this voluminous, modern and practical report has not been quoted more frequently. The evidence goes to show that where there are competitive rates between all-parallel-water and all-rail traffic there is opportunity for regulating transportation rates, but out on the ocean it is different. You cannot regulate the broad ocean like the land and especially when ships have a monopoly it is practically impossible to regulate ocean rates. The report is both pertinent and practical as a guide on this case in Canada. This report shows that what I say is correct and it is a good report. I think this parliament should order a very careful inquiry. After all, a committee of this House, with all due respect to the House and to the committees, is not a proper forum to deal with such a problem. I differ from the Prime Minister (Mr. Mackenzie King) and the Minister of Railways and Canals (Mr. Graham) in that regard; and I think I am borne out by the report of the Interstate Commerce Commission which investigated the economic side of the question, as to how these things affected the farmer, the manufacturer and the consumer. We can only obtain lower rates in my opinion by competition on the ocean on the basis of the law of supply and demand. The opening up of the St. Lawrence waterways, from the head of the Great Lakes, will do a great deal to stabilize matters in Canada along these lines. I have given three of the reasons which I have to offer. The fourth remedy for present conditions is the extension and better use of the Canadian Government Merchant Marine, and the fifth suggestion is to leave it to open competition and the free trade law of supply and demand, and to in time secure a reduction through education, negotiation and publicity, with all the cards on the table.

Coming from a large distributing centre in Central Canada, and as chairman of an inland port and harbour commission, I have been very much interested for many years in the question of ocean and lake transportation. The two things that I have wondered at at the outset of this subsidy contract are: (1) why specifications were not prepared, and tenders were not called for, if the government has decided on the subsidy plan, and Canadian and English companies given a chance to tender, and the same principle adopted that applies to the gulf and sea ports regarding subsidies for mails and subventions of the Trade and Commerce department; and (2) why Sir William Petersen should be singled out for special favours in view of the fact that you had a contract with Sir William Petersen in 1897 and he treated it simply as a scrap of paper. Why was he singled out among all the different companies on the Atlantic and the Pacific? And why was a private tender given to him for this work? I think the government of Canada, after the

experience that they had, should have adopted a policy of "once bitten, twice shy" in dealing with this particular gentleman, especially as the present contract, as the hon. member for East Toronto (Mr. Ryckman) showed last night, is not like the contract of 1897. That former contract was more carefully drawn up regarding bona fides and penalties. Nine or ten sections of penalties were imposed on the contractors in the contract of 1897, but the present contract contains no penalties. Sir William Petersen is by it a law unto himself. As the present contract has no penalties for breach or default, and no adequate protection for specific performance, what is there to compel Sir William Petersen to carry out the contract? There is no way of enforcing performance of the contract. No farmer, artisan or mechanic would make a contract without some way of enforcing it. Here we have a government making a contract which contains no penalties and no method for specific performance at all. I agree with the hon. Minister of Railways and Canals (Mr. Graham) when he says that the question is, are the rates too high or not; should they be subject to government control or regulation, and what regulation? By whom? Would such regulation or control secure lower rates? Should a joint imperial board regulate rates, and could such legislation be made workable on the Atlantic and other seas when rate regulation by legislation in Canada has been somewhat of a failure on land?

The question of ocean rates is a very involved one and has been prolific of discussion here and in England for nearly twenty years.

I do not wish to criticize Mr. Preston. He was properly retained by the government, and he certainly knows a good deal about conferences. He was formerly an alderman of the city of Toronto, is a member of the Methodist church, has been a member of many conferences, of that good church, and therefore knows something about them. Far be it from me to say anything about his retainer. He had a proper retainer no doubt, and I do not blame him for getting all the work he can from the government. If the Conservative party were in power those who worked for that party would also try to obtain contracts. No particular blame should attach to him for that reason.

Ocean rates in my opinion should not be made the subject of a parliamentary inquiry, because we had one parliamentary inquiry by the committee on Agricultural Conditions and they reported and asked leave to sit again, but they never had a chance to continue. As I have stated, a committee of parliament cannot go into this question. They could not afford the time, even if they wanted to, because of the other work they have to attend to. Therefore I urge that it should be the subject of a judicial inquiry, something similar to the inquiry held by the Interstate Commerce Commission. The inquiry should be conducted by judicial officers and business men and it should be an impartial inquiry. It should not be conducted as a committee of this parliament is conducted, but should be surrounded with all adequate and proper safeguards for the protection of the consumer, the producer, the shipper, the ship owner and the ship employee; we must be fair to all of these men. One may say, there are three views of this question—your own, the other fellow's, and the right view. But one must not forget the other fellow's view and his side of it, especially in a period of such high prices and unusual conditions as exist to-day on the seven seas. Up to now, while this important question has been the subject of numerous negotiations, government inquiries, conferences and reports, there has been no active or direct attempt, either on lake or ocean, so far as Canada is concerned, to crystallize into legislation any of the various reports so as to assure direct legislative control of ocean rates, either on behalf of this parliament, or jointly with the Mother Country and overseas dominions.

The tramps and liners and the Atlantic conference and merchant marine have a commodity to sell, namely, transportation, and have been selling it for centuries free of government regulation, according to the basic economic free trade law of supply and demand. Tramps have regulated rates to some extent, and in the future will be more and more a rate regulator and factor.

So that we may start off with the presumption that the so-called shipping combines and conferences, so far as the law goes, have done nothing legally wrong, as they were under no direct government control, so far as Canada is concerned, and no control has been exercised over sea or lake for that matter either.

There was a proposition made by the late member for East Lambton, Mr. Armstrong, to place lake shipping under the control of the railway commission. I believe it would have been a good thing for our lake shipping if we had placed it under the control of a commission. As I say, however, no control has been exercised over sea or lake for that matter, although the British merchant marine is subject to the Combines' Act of England and also to the rules of the Imperial Shipping

Board, an advisory body to the British government. In addition to that, every boat, whether it is in the navy or the British merchant marine, is subject to a greater law. In the days of Richard the Lion-hearted, a code of laws was framed larger than the volume I hold in my hand, which applies to every man whether in the navy or the merchant marine, who goes on to the sea. When you read the present conditions of the Merchant Shipping Act, an act very nearly half the size of the revised statutes, with its very elaborate provisions and restrictions, for instance, how the ship owner must look after the construction and fitting out of his ship, food and health of his crew and passengers, the cleaning out of the boat, the wharves and many other things, you realize that the conditions imposed upon the British ship owner are very heavy and add greatly to the overhead.

A great deal of information has been produced during this debate and much good will be effected by it. It has been said that the debate has been going on too long, but I believe that it will shorten other debates, because this is one of the most important measures we have had in this parliament. The eyes of the people of this country from coast to coast are on this parliament in regard to this important subject, and I do not think the time has been wasted. In fact, I think it is the time that has been best spent since this parliament opened, and it has been better spent than the time consumed by private members in discussing resolutions to abolish racing and so forth. I am glad to note the moderate tone of all the speeches that have been delivered in this debate. No one in this House wants a combine. No one in this House wants an injury to trade and commerce by high rates or extortion. All in this House are taxpayers and all want low rates, if we can get them, and relief given to both producer and consumer.

We may differ as to how this may be obtained. For example, the Minister of Railways and Canals (Mr. Graham) who, I may say incidentally, has done a great deal for transportation and who is one of the best Toronto members we have, and his colleagues, say that they want low rates, and instead of joint action by Great Britain and Canada for control, he and his colleagues believe that they will get rate control or some action taken by making this contract with and granting a subsidy to Sir William Petersen for £275,000 for ten years. This would give Sir William Petersen the cream of the business for ten years, and in my opinion, it would amount to no control at all. Canada has a merchant marine of fifty-seven ships, many of which are tied up at the docks doing nothing. She could send these out on to the ocean to fight fight, fight, and I believe if the merchant marine was sent out with the backing of the Canadian National Railways and of the government, it could do more towards lowering rates than Sir William Petersen with his ten ships.

I was very much impressed on reading the speech of the Minister of Railways and Canals in reference to "nibbling" by those owners of steeds that follow a hay wagon on the highway and get a square meal free. Everyone wants to stop this "nibbling" of the profits of the property of the producer, and this increase in the cost to the consumer by the excessive rates on land, lake and sea, imposed through the greed of transportation companies. I might suggest that a start be made to stop the "nibbling" by these two agencies, the Canadian National Railways on land and the merchant marine on lake and sea, stopping "nibbling" and sitting in on land and sea with other champion "nibblers" to fix similar and high rates in the transportation business. Let them quit the conference meetings to fix rates on both land and sea and let them act for themselves of their own volition.

The Minister of Railways and Canals is and always has been somewhat of an amateur sportsman. There is none better in the land than he. He knows certain games and he is a close student of them. One of them is baseball and he knows what "control" means in connection with a pitcher. I once attended a game and he said to me: "This pitcher has no control." For that reason, I am surprised that he has permitted—to use the language of the sporting column—Scout Preston to travel all over the world and to put over such a pitcher as Sir William Petersen on the minister's team, as he has never on any occasion, shown any control whatever over the rate game, or any other game, to entitle him to such a grant as this. I am afraid that Scout Preston has put over a gold brick on the sporting Minister of Railways and Canals as regards any control or semblance of control by Sir William Petersen as a pitcher in the game of tossing ocean rates downwards. Pitcher Petersen did not fulfil his last contract, but treated it more or less as a scrap of paper, and he may do the same with this one now. You will never succeed by going back twenty-five years and reviving now, when the complications of ocean control are ten-fold what they were in 1897, the subsidy plan which absolutely failed then. The subsidy plan is the wrong plan for rate regulation on the ocean. If the subsidy plan is the gov-

ernment's idea of rate regulation, tenders should have been called for on carefully drawn specifications. They should have been open to all and not been given without any competition whatever to Sir William Petersen, who, as I say, treated his former contract as a scrap of paper. State aid to break a conference or combine will not solve the question. We have learned since the debate started that the committee can amend the contract and that the Canadian Pacific can come in second-hand on the same terms. What is this all going to cost, with this now free-for-all extension of the subsidy plan?

If ocean rates are too high, another effort should be made to secure control through the medium of a joint imperial board working as a unit. The re-creation of the subsidy plan is a relic of the mistakes made on land in Canada's extravagant railway subsidy policy. State aid by subsidy is no cure at all to lower lake and ocean rates. Canada would get better results either by building or by purchasing new ships for the merchant marine, with new and faster ships for the Atlantic and the re-routing of some of the present merchant marine vessels for Atlantic trade, than by giving $13,000,000 in a ten-year subsidy without competition. How can ten ships with fifty sailings a year control a thousand ships with fifty thousand sailings a year in a rate war? Canada's best interests would be better served by a spirit of co-operation with the British government in solving the problem, and by utilizing Canada's investment in railway facilities, merchant marine and other resources in unison with the British government. Canada learned in the war the good results that flowed from co-operation in shipping and trade and commerce with the British authorities.

Let us not forget that:

1. The Petersen Company signed a somewhat similar contract with the Laurier government in 1897. It was unable to live up to the contract and it was cancelled.

2. If the rates are so excessively high, why is the Canadian merchant marine losing $9,000,000 a year?

3. Why did the United States Shipping Board lose $35,000,000 in the operation of 317 full vessels last year, with 913 inactive vessels?

4. How can the Petersen line, with ten vessels, which at most can make only fifty voyages in a season between Montreal and Great Britain, break a combine, when in 1924 nine hundred and thirty-seven vessels cleared from the port of Montreal?

[Mr. Church.]

5. What is the need of subsidizing out of the treasury of the country an English line which has to build its ships when Canadian government-owned ships are rusting in Canadian harbours?

The west is not taking kindly to this measure, for I read in a western paper the other day a strong article opposed to it. The Progressives in this House have a fiscal organ of their own, the Grain Growers' Guide, and that journal has this to say on the subject:

> W have no more use for an ocean shipping combine than we have for any other kind of a combine, but when we have a government line of merchant ships and when the taxpayers have to make up the losses of that line every year to the tune of $9,000,000, because the ships cannot get cargoes to bring into this country, it is very apparent that it is not by subsidies to private shipping concerns that lower ocean rates are going to be secured. We could at least try the effect of lower rates on our own ships, and thus find out whether the lack of inward cargoes is due to high rates or the high rates are due to a lack of cargoes.

6. Why not hold a proper inquiry under the direction of such a body as was constituted by the United States government to investigate a similar question? Before such a body you could take evidence and examine witnesses on a proper scale; you could call experts who would know something about ocean rates and water traffic generally.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

WEST VIRGINIA PULP AND PAPER COMPANY

The House resumed from March 17, consideration in committee of Bill No. 13, respecting a patent of West Virginia Pulp and Paper Company—Mr. Jacobs—Mr. Gordon in the chair.

Mr. MEIGHEN: I do not see very much use in going on with this bill. The hon. member in whose name it stands is not here to explain it.

Mr. McGIVERIN: I can make the explanation. This bill and the following one, Bill No. 14, respecting a patent of Edgeworth Greene, were brought before the committee of which I have the honour to be chairman. Under section 47 of the Patent Act of 1923 the Commissioner of Patents is authorized to use his discretion in reviving or refusing to revive any patent, but the application must be made to him, under the act, within two years. In this case they did not apply within the two years, and therefore they have had

to come to parliament for that right. The committee did not pass the bill as requested by them; they are simply put in the position of appearing before the commissioner under the general act and making their application. They had not paid their second instalment of fees within the time required. The committee were satisfied with that explanation, but they left it to the Commissioner of Patents himself to hold court on this bill and on Bill No. 14; and he will decide under the general act whether or not the right should be granted.

Mr. MEIGHEN: The Patent Act has definite provisions as to renewal of patents. Of course, if a man neglects those provisions and his patent dies he must go to parliament and parliament can either restore the patent or put him in the position of having to apply again on the merits, just as if no default had taken place. But I do not understand why one man should be relieved of the penalty of his default while another should not. I do not see any difference at all between this case and that presented the other night by the hon. member for St. Lawrence-St. George. The rule that has been followed as long as I can remember is this: If the applicant can show special circumstances—for instance, that the instructions he left with his counsel were quite clear but through neglect or oversight, through something for which he was not himself responsible, his patent lapsed—then the practice has been to consider his peculiar position and relieve him of the penalty. Possibly the circumstances that I have revealed might not be considered sufficient. The hon. member has not brought out any special circumstances in this case; the patentee simply lost his patent through neglect. While it is true we are only putting him back where he can apply again on the merits, still we are relieving him wholly of the default. What right has he to that?

Mr. McGIVERIN: I was not here the other night, and I do not know which case my right hon. friend is referring to. But there was another patent which the committee refused—it was an extension of the life of a patent. If that is the one referred to, it is quite a different case.

Mr. STEVENS: It did not go to the committee.

Mr. MEIGHEN: This House listened to an eloquent appeal from the hon. member for Norfolk (Mr. Wallace) the other night to throw that bill out.

Mr. BROWN: The patent referred to by the hon. member across the way was similar to the one that was turned down here in the House.

Mr. STEVENS: I quite agree with the leader of the opposition in this matter. Two years ago we revised the Patent Act with great care; the discussion was as thorough as we have had on any statute in recent years. The question of patents is a highly technical and complicated matter. I recall that, if anything, the House leaned to the side of leniency to applicants; that we softened many of the provisions suggested by the Commissioner of Patents and, on the whole, we dealt very generously with the public in the matter. Now, as far as I can see—and I am speaking only from the knowledge I gained through an examination of the bill; I do not know the parties at all; I know nothing about it—here we have an American citizen who six years and a half ago allowed his rights under the patent to lapse. To-day he comes along and wants the rights granted him under the Patent Act extended. Now we propose by a special act to, as it were, wipe out the conditions of the main statute, the Patent Act, and place this man in a specially favoured position. I would say that certainly there is no rush about this thing. The man himself has allowed it to rest for six years. There must be some special reason why he now desires to revive the patent. It may be that some one has discovered or is trying to patent some process, or whatever it is that this covers, similar to this man's patent. It may be that someone else is very much more deserving than he is. It may be that in the evolution of the pulp and paper business this particular process or patent has a prospect of becoming more valuable, and therefore he desires to revive it, after he has allowed all these six years to elapse without protecting his rights.

I agree with what the hon. member for Lisgar said the other night, that certainly we have to give the discoverer of a process or device protection, but we give that protection under the Patent Act. After years and years of consideration in this country, and in other countries, we have come to the conclusion that a certain well defined period is justified and warranted, but this practice of coming back to the House and asking for the revival of some extinguished rights, which has been growing of late years, I think is a very dangerous practice.

What I would suggest to the House is this: Let this thing stand. Let it go over for a year. The gentleman who is asking for it allowed it to go for six years, and it is not going to hurt a particle to let it rest

for another year. We have just as much right to revive this patent next year as this, and in the interim the business, whatever it is that is affected by this, would have disclosed itself, as undoubtedly it will. I certainly object to blindly passing this bill without a very great deal more information than is before us at the present time, and particularly so—I do not know whether this is a reason, but still I advance it, not particularly as a reason, but rather as something to take note of—as we are asked to revive this patent for a gentleman by the name of Viggo Drewsen, of the city of Brooklyn, in the state of New York. I question very much, Mr. Chairman—indeed, I do not think there is any question about it, I venture to say—that a Canadian citizen under parallel circumstances would get short shrift in Washington. I doubt if he would get his application as far as the outer doors of the Capitol, and I doubt very much whether we are helping Canadians, in fact, the chances are we are depriving some Canadian of a parallel right, by resurrecting this extinguished right under the general Patent Act.

Mr. McGIVERIN: I do not know anything more about it than as chairman of the committee all that we have done is to bring it before the commissioner. The matter has got to be threshed out before the commissioner as a judge sitting just as he would under the Patent Act. I would rather let this stand until the member who is in charge of the bill is present. I merely made the explanation as chairman of the committee.

Mr. STEVENS: I am not attacking my hon. friend at all. I quite understand the point he raises, but I would put it the other way round. Wait until the commissioner comes before the minister or the government, and asks for the power. I would drop this bill altogether, and if the commissioner recognizes that he is unable to do what he thinks is justice in this case, let him make his appeal to the minister, and then the government can bring in a bill as a government measure. That would be the proper course. It is quite possible the commissioner does not approve of this, but as Commissioner of Patents naturally he does not like to attack the application publicly. On the other hand, if it is a case that the commissioner feels himself warranted in intervening, he can go to the minister and suggest to him that here is a case that is,—what shall I say?—harshly dealt with by the provisions of the act, and he can get his minister to bring in an amendment. I do not think a serious measure of this kind which affects the statute itself, and is introduced by a private member, should pass.

Mr. LOGAN: Might I suggest that as the hon. member in whose name this bill stands was called away this evening, we report progress. I think it would be scarcely fair or courteous to him under the circumstances to throw the bill out. It does seem to me, however, that the hon. member for Vancouver Centre has made a very strong case, and that there is a very poor argument in favour of the renewal of this patent. At the same time, I think we should hear the hon. gentleman in whose name the bill stands.

Progress reported.

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 17, respecting the Alberta Railway and Irrigation Company—Mr. Jelliff.

MANITOBA AND NORTH WESTERN RAILWAY COMPANY OF CANADA

The House in committee on Bill No. 18, respecting the Manitoba and North Western Railway Company of Canada—Mr. Stewart (Humboldt)—Mr. Gordon in the chair.

On section 1—extension of time for construction.

Mr. JOHNSTON: I find it necessary to protest against the passage of this bill through committee and against its third reading. My remarks would better have been made in the committee of Railways and Canals. The notice calling that meeting, which appeared in the Votes and Proceedings, set eleven o'clock as the hour of meeting. A further notice was sent through the mail calling the meeting for ten o'clock, but this did not reach me in time, and consequently I was not before the committee.

I just wish to say that this bill has to do with a branch of the Canadian Pacific for a line from Theodore to a point between Govan and Lanigan in the province of Saskatchewan. Renewals of this charter have been asked for every two years since I have been a member of this House, and for many years before that. I believe the charter itself is twenty years old. I can see no good reason why we should prolong the life of such a charter. If the railway company is not ready to begin operations after this length of time, I think it is time an extension of the charter should be refused, and for that reason I wish to protest against the passage of this bill.

Section agreed to.

Bill reported, read the third time and passed.

PATENT ACT—WALTER W. WILLIAMS

Mr. ANDREW McMASTER (Brome) moved the second reading of Bill No. 26, respecting a patent of Walter W. Williams.

He said: Mr. Speaker, when a patentee wishes to get letters patent in this country for an invention he has to make a payment of $15 on applying for his patent, and a further payment of $20 within six months of the date when the patent is issued to him. If he does not pay within the six months his patent is forfeited. Now, the petitioner in this private bill applied for a patent, and he paid $15 with his application. Then when the patent was issued to him he forgot to pay the other $20, the six months elapsed, and his patent became forfeited. Thereupon he applied under section 3 of the Patent Act, which reads as follows:

A forfeited application may be restored and the patent granted thereon on application to the commissioner within six months of the occurrence of the forfeiture, or the passage of this act, on payment with the application for restoration, in addition to the fee payable on the granting of the patent, of a further sum of $15.

He made his further payment of $15; then even before the patent was issued he made a further payment of $20. The patent was issued and the commissioner at least thought that everything was perfectly correct. But as this House has no doubt observed, lawyers sometimes differ, and a counsel who had to look into the validity of the patent raised the question, whether the patentee should not have paid the last $20 at the same time as he paid the $15. Now, I am inclined to think that that view is rather narrow and technical. The commissioner evidently thought so, because he allowed the patent to issue, the man having paid, prior to the issue of the patent, all the fees in connection therewith. But I can quite understand that a lawyer might read clause 3 to mean that when a patent was forfeited you had not only to pay the ordinary fee on the new application but also the fee on the new issue. I do not think that is really what parliament intended, but it is open to that construction. The patentee desires that his patent should be free from any possibility of doubt, and so he has asked for the passage of this act, which in effect says: Your patent is all right; it was issued to you properly; the commissioner's action was satisfactory in the premises. That is the object of the bill. There is this saving clause:

If any person has prior to the seventh day of February, 1925, commenced to construct, manufacture, use or sell in Canada the invention covered by the said patent, such person may continue to construct, manufacture, use or sell the said invention in as full and ample a manner as if this act had not been passed.

I cannot see that any public or private interest is affected by this legislation. It is merely sought for the purpose of placing the validity of the patent beyond any doubt.

Mr. MACDONALD (Pictou): Would the hon. gentleman say what is the nature of the article patented?

Mr. McMASTER: It is a patent granted for a liquid fuel atomizer.

Sir HENRY DRAYTON: What is that?

Mr. McMASTER: It is an atomizer used in connection with liquid fuel.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, here again we have a bill similar to a large number of bills which have been introduced in recent years and affecting very seriously the issuing of patents. In this case, according to the statement of my hon. friend (Mr. McMaster), which I notice follows pretty closely the preamble, a gentleman comes to the House, through an hon. member, and asks that a special act be passed. To do what? To confirm a patent which the Commissioner of Patents has already issued, and which in his judgment—and his judgment should guide this House—is a perfectly valid patent under the statute. I am not a lawyer, and I ask my hon. friends who are lawyers not to judge my objection and suggestion too critically. In the last section of the bill we have what purports to be a saving clause. Now I submit this suggestion to the House, and I should like to have the Minister of Justice (Mr. Lapointe) give his opinion on it: Would it not be possible under this saving clause for the applicant to have made a secret arrangement regarding the manufacture of the article patented, and then later to sell the patent to some large firm, we will say to the Westinghouse Company, and within six months or a year afterwards for the party with whom he had made the secret arrangement to come forward and say, "Oh, but I manufactured the patented article during that hiatus, and under this clause I claim the right to continue the manufacture, although in the meantime the patentee has sold his patent to a bona fide purchaser?" I am afraid the House may not be saving this gentleman from a loss or a possible loss, but rather creating a condition under which it is perhaps possible to defraud an innocent and honest purchaser of his patent. Bills of this character, which I discussed a moment

ago when the minister was not in his seat, directly affect a statute which governs the whole intricate question of patent, and I do not think one of them should be brought before the House until it has been most carefully scrutinized, first by the Commissioner of Patents who is an expert, and his assistant, and secondly by the law officers of the crown. I think the public are entitled to that safeguard.

Mr. LAPOINTE: In view of the strong objection raised by the hon. member for Vancouver Centre (Mr. Stevens) I ask the hon. member for Brome (Mr. McMaster) to postpone consideration of this bill till a further sitting of this House so that the matter may be looked into. I had not read the bill until I heard the remarks of the hon. member for Vancouver Centre.

Mr. McMASTER: I shall be very glad to accede to even a more onerous request.

Motion stands.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION FOR RATIFICATION DISCUSSED

The House resumed consideration of the proposed resolution to ratify and confirm a contract between His Majesty and Sir William Petersen providing for the establishment of a subsidized steamship line on the Atlantic and government control of ocean rates and the proposed amendment thereto of Mr. Clark.

Mr. T. L. CHURCH (North Toronto): Mr. Speaker, when the House took recess at six o'clock I was pointing out to parliament that in my opinion the Agricultural Conditions committee, although it accomplished very excellent work, was not the proper forum to consider this particular contract, I was showing what the joint committee of the United States Senate and Congress on Interstate Commerce had done in 1919 on this very important question of ocean and railway transportation and how they had been taking evidence for many months on the question of rates, and summoning eminent traffic experts who were really experts from all over the world, men like Mr. Acworth, the eminent British engineer who with Sir Henry Drayton composed the royal commission to investigate Canada's railways and who reported to this parliament in 1917. In my opinion we should have a properly constituted tribunal similar to the United States Interstate Commerce Commission to report on this ocean question. That commission investigated the matter fully in the United States. A contract of this kind is a contract, no matter whether it is made with Sir William Petersen or anybody else, and should be thoroughly investigated. In looking over the report of Mr. Preston, I find that his report is a biased one—and is full of inaccuracies. But looking over the pages of Mr. Preston's report hon. gentlemen will find that he prejudges the case. He speaks of this being a combine before he starts to investigate at all, and this is not an impartial unbiased or reliable report. It is only fair to use his own language. He says:

With a view to bring this about I presented the following memorandum to those with whom I came in contact in this matter.

A frank statement of the matter. This memorandum was written in April, 1924, nearly a year ago, or eight months before this Petersen contract and in this report he announced the very policy which has been announced in the House by the Minister of Trade and Commerce on a contract made December 11, 1924. Mr. Preston says: I thought it better to have a frank discussion on the whole situation. With a view to bring this about I presented the following memorandum to those with whom I came in contact in this matter.

FRANK STATEMENT CANADIAN CASE

Strictly Private and Confidential

Memorandum With Respect To Traffic Between Canadian And British Ports

The Canadian government has decided to take action in order that Canadian interests shall not be so seriously affected as heretofore by the operations of the North Atlantic Steamship combine.

Of two phases of the situation, the government has taken particular notice:—

(1) The occasional discrimination in freight rates against Canadian ports and in favour of United States ports.

(2) Freight rates which are believed to be excessive in connection with the carrying of natural products and manufactured articles to overseas markets.

One of the reasons alleged for the discrimination against Canadian ports is that the insurance rates are higher in the St. Lawrence river than to or from American ports. The government has this question under serious consideration and is hopeful of permanently establishing a parity of insurance rates on the St. Lawrence with those to and from American ports. So that phase of the question need not be commented upon. There are two solutions of the disadvantages under which the ocean transportation of Canadian products labours:—

(1) By an arrangement with an independent steamship company with government assistance, and government control over freight rates.

(2) The establishment of a government service between British and Canadian ports with modern vessels.

The former is regarded as the more desirable, if satisfactory arrangements can be effected.

One or other of these alternative solutions is regarded by many interests in Canada as inevitable.

During the session of parliament, 1923, a committee of the House of Commons heard evidence on the question of the North Atlantic Steamship combine, and in reporting to the House of Commons, recommended the government to take action with a view of overcoming the disadvantages connected with the transportation of Canadian products overseas.

This recommendation moved by Mr. A. R. McMaster, chairman of the committee, was unanimously approved by the House of Commons in the session of 1923.

In accordance with the instructions of parliament, the government has been making inquiry into the various phases of the question. In the Speech from the Throne at the opening of the session of parliament, now sitting, the present administration announced its policy upon this question. The Speech from the Throne was adopted in the House of Commons by an overwhelming majority a few weeks ago, parliament and the government and the people and public opinion, supported not only by the agricultural community but by large manufacturing interests, whose oversea trade is hampered by the operation of the combine, is supporting the government in this determination to place Canadian interests, in respect to oversea transportation, upon a more satisfactory basis.

The government railways traverse the Dominion of Canada in about 24,000 miles of tracks of service. It is fair to presume that whatever action the government takes in the matter, will be towards linking up the suggested ocean transportation with this enormous mileage of National railways; and it is also fair to presume that the government railway will cooperate with such shipping interests in solving the question of ocean rates and transportation, so necessary to the development and prosperity of the Dominion.

W. T. R. PRESTON.

LONDON, April, 1924.

This is his full memorandum.

Thus he goes on to announce the very policy of the government in making an arrangement with an independent steamship company by way of subsidy which we have before us today. As above he says that they have had an inquiry by Mr. McMaster, chairman of the committee on Agricultural Conditions and that they are going to link up the subsidy to an ocean line with the 24,000 miles of the Canadian National Railways. Nearly a year ago Mr. Preston announced in a letter while in England the policy announced by the government in this very contract and in my opinion that is an improper proceeding. He prejudged the case and his report is a biassed one.

After all is said and done, on the government of the day is the responsibility for this contract. It is not on parliament or on any committee thereof. They cannot evade their responsibility for the contract by sending it to a committee. They must stand or fall by it. The principle of responsible government makes them responsible for it. There is a responsibility collectively and individually, so long as they are the government of the country, for this contract. The contract and the whole scheme are theirs. They have gone ahead with it and they are plunging the people of this country into debt. It is a one-sided agreement and is not in the interests of the country. It will not regulate rates, while it is doing untold injury to trade and shipping. People talk about regulation on the ocean by way of subsidy. What has regulation ever done in this country? What has it done for the regulating of freight and passenger rates on railways? Is the artisan or mechanic or farmer satisfied with the way the railway commission regulates rates and tolls in this country? Application after application has been made by the companies for rate increases. All have been readily granted. Take the case of the Bell Telephone Company, for instance. The city of Toronto spent $40,000 in 1921-22 to fight the application of the Bell Telephone Company for an increase in rates. The railway commission accepted the rates asked for by the Bell Telephone Company and the increase went through. The steam railways asked for various increases in freight rates and the applications were granted. Passenger rate increases also were granted by the railway commission almost every time they were asked for. The same remark applies to telegraph and express rates. Although numerous deputations from the municipalities appeared before the railway commission and opposed these applications, the railway commission accepted the figures of the applicant companies and granted every one of the increases. What is the good of regulation on the ocean in the face of the failure of regulation on the land? The same thing will happen on the ocean. Canada spent nearly a billion dollars in direct and indirect aid to the railways of the country and on the merchant marine and railway transportation. Canada has a deficit every year of from sixty to seventy million dollars on the government owned railways, and of several million on the Canadian Government Merchant Marine, and these deficits have to be made up by taxation. These deficits are in effect a subsidy to create and maintain a free and healthy competition on land and lake and sea between the Canadian Pacific Railway and National Railways.

The subsidizing policy for Canada's railways has been a bitter experience—hundreds of millions have been spent in useless duplication and waste, in addition to millions towards land and cash grants. We have also had an experience subsidizing the carrying of mails from gulf and ocean ports. Canada has spent a large sum on harbours, canals and ocean ports. and all more or less to develop and stimulate shipping, trade and commerce.

I believe in the freedom of the seas—for the merchant marine—as far as possible free from legislative control, and I think the history of Britain's merchant marine, and what it has done in its long and honourable history for shipping, trade and commerce, for humanity and the human race. and the over-sea dominions—will justify my contention that it is entitled to fair treatment and not to be condemned hastily and that the government in trying the subsidy plan is seeking to accomplish the impossible.

I believe we should leave the whole question to the economic law of supply and demand, and as far as possible free of direct legislative control, which has not got us anywhere, even on the land, as a regulator of rates.

I believe it is neither desirable nor advisable or at all practicable to invest any external authority with power to fix rates for the ocean by arbitrary methods and compulsion; whereas negotiations, conferences and conciliation, education and publicity are in the long run better and more effective. The government's subsidy plan is virtually a declaration of war against the whole merchant marine, whom the Preston report criticizes and literally denounces as rate robbers. It is a declaration of martial law out on the ocean by mobilizing ten ships of the line to fight the conference. Such a toy fleet could not fight a combine or a conference on lake Ontario, let alone on the ocean, and it will lead to nowhere. I should like to quote an eminent authority regarding the folly of trying to regulate rates, whether by subsidy or by any other control of the sea. This empire came into being by the sea. It could not continue to exist without the sea. One of the most eminent authorities on the mercantile marine is Mr. E. Keble Chatterton, and he writes at page 244 of his new work, issued after the war, with regard to the folly of trying to interfere with the freedom of the seas. He says:

> Thus, with glorious traditions behind them, and an equally glorious future in front, the mercantile marines of the nations of the maritime world have every reason to be proud of their respective services. Competition there assuredly will be, not merely between British and American, but, presently, German merchant fleets. That is all for the good of the services concerned and for the world in general. The lesson from past history is that maritime legislation in the long run is better omitted except where it is necessary as a reply to that of another country setting up unfair competition. The real freedom of the seas is to allow the merchant ship to pursue her way freely, unhampered; and to find her trade where she can, and be allowed to develop that trade as it has been in the past by Venetian, Spaniard, Dutch, Briton, American and others. To interfere with this system is to court trouble which in the long run fails to benefit the very organization it was intended to protect.

[Mr. Church.]

> Navigation laws are all very well in intention; but far better still is it to allow free trading over the seas; free flow of emigrants and commerce, fair opportunities for all. The best must win in the last instance, but why not let each marine go about its own business as each trading concern ashore is allowed to carry on its own affairs? The merchant fleets mean too much to be controlled by the state in any country, except under exceptional circumstances and with the most weighty excuse. That is one of the lessons in the history of our subject, and we may leave it at that.

These are prophetic words used at the present time. The hon. member for West York (Sir Henry Drayton) was doubtful whether we could accomplish anything by rate regulation. Mr. Justice Mabee was of the same opinion, and the Minister of Railways and Canals (Mr. Graham) the other night said that there was no use in going any further in trying to regulate ocean rates. I might quote from other economic text book writers, but time will not permit.

The government is to be criticized for failure to aid in making the Canadian people a sea-going people and mariners. If we are ever to become or try to become a maritime people, we should attempt to turn out from our population a supply of merchant marine men. In the United States they are turning their war plants into peace plants, and they are building up a merchant marine fleet to go out over the seven seas of the world and capture the trade for the United States. In the United States this preparation for the sea is being carried out with that thoroughness which was shown during the war for making sailors out of raw landsmen. The recruiting for the American workers of marine, according to the latest official reports to hand, already consists of a personnel which is 68 per cent American. Its Sea Training Bureau has training stations and training ships, and in the first three years it turned out between 30,000 and 40,000 unlicensed ratings. In addition there are the navigation and engineering schools and advanced courses for men already holding licenses. Such subjects as the operation, repair, adjustment and general upkeep of marine turbines and matters dealing with electricity and oil, are included in the last-mentioned curricula. The result was that in four years licenses were granted to over 10,000 graduates as masters, first, second and third mates, chief engineers, first, second and third assistant engineers. By means of a sea service bureau maintained at various Atlantic, gulf and Pacific coast ports, during one year over 100,000 officers and men were placed in United States ships.

In my opinion the railway commission should be consulted in regard to this matter. We had an inquiry some years ago by the hon.

member for West York (Sir Henry Drayton) and Mr. Acworth, and they say in their report presented to parliament in 1917 in connection with rates on land and ocean:

> Railway policy is a sealed book to the ordinary citizen. Why tariffs should be fixed as they are, why the train service should not be arranged so as better to suit his individual requirements, why cars cannot always be available for everybody everywhere, he cannot understand The normal attitude of the public towards the railway management, whether in the hands of a company or a government, is one of mistrust, if not of active hostility. It is a good thing both for the railway itself and for its patrons to bring the management out into the open; to have the reasons why such and such conditions exist, why certain concessions demanded cannot reasonably be granted, frankly explained in public.

The report goes on to refer to the ocean again and the principle of subsidies. It reads:

> We think also that no subsidy or guarantee should be granted except after a similar report from the commission; and that no subsidy or guarantee should be voted in any session, unless it has been provided for in the financial budget of the year; and unless a substantial deposit of cash or securities has been made by the promoters, to prove the bona fides of their application.

That is a sound policy, and had Canada pursued that policy on land, for instance instead of three railways running along the north shore of lake Ontario where one railway with a double track would have been sufficient, only one line would have been constructed, and a waste of money which amounts to about a billion dollars would have been prevented. What has been done on the land can be done on the ocean.

The subsidy principle will benefit neither the producer, nor the farmer, nor the shipper, nor the grain grower, nor the manufacturer. It benefits simply one ship-owner at the expense of all the others. It benefits also the middleman. If the object is to assist the producer, the farmer, the grain grower, or the raiser of cattle, it would be better to bonus that industry. This would go directly to the farmer. Otherwise the farmer secures no direct benefit from this subsidy.

I was going to say something about how the tramp ships succeeded to the carrying trade, the tramp steamer as a factor in carrying goods and in the regulation of rates, and the creation of liners and their effect on higher rates. To-day the finest merchant ships in the world are not freighters, but passenger ships. It is the tramp which has succeeded to the carrying trade of those pioneer ships; and after the Indian monopoly had disappeared, and there came a need for people to go to the East, it was quite an innovation to provide more accommodation for passengers. Then the same thing happened in regard to China, but especially with the emigration to Australia. Gradually this element increased and again people began to travel all over the world, for business, for administrative reasons, for pleasure; and as the number of passengers increased, so the amount of cargo space was encroached upon. Especially was this the case in the trans-Atlantic ships, so that to-day the principal liners on that route carry practically no cargo beyond mails and the passengers' luggage. Thus, within a hundred years, the needs of the public have entirely altered the character of the shipping.

It was natural enough that the East should for so long have instigated all the improvements in shipping for the reason that travellers went to the Orient long before America was discovered, and the East India Company had a continuous need for the best ships. But since the introduction of steam and the rapid progress of the United States, it is the West, and not the East which has always seen the greatest enterprise in shipping. Bigger and better vessels, compound engines, twin screws, triple screws, quadruple screws, turbines, oil fuel, increased speed, luxurious accommodation—all these most important and progressive factors in the mercantile marine have come as a result of the Atlantic, and not the oriental trade. These reflect, as everybody knows, on the rates, the high cost of ocean travel and so forth. If this subsidy goes through, you may be in a British port and you may see one or two of these ten ships of the line under subsidy at a dock. At the next dock you will see a tramp ship, and the tramp ship will have quite a grievance against the state-owned ship, subsidized as it is, and against the citizens of Canada for helping to pay for and maintain that ship over there. Such a policy will interfere with free competition for the tramp ship, because the tramp ship, as the evidence showed before the Interstate Commerce Commission, is one of the most important factors in rate regulating. This policy of subsidizing ships may drive tramp ships out of business; it may drive some of them to the wall.

In my opinion the subsidizing of these ten steamships under the present contract will strike a decided blow at the free competition which exists ordinarily with the operation of tramp ships. And according to the text book writers, the owner of tramp vessels is to-day a public benefactor; indeed, the tramp ship-owner is a greater benefactor than Sir William Petersen would ever be, even though the latter may be state-aided. The tramp ship gets no bonus or subsidy but it proves an important factor in our Canadian trade. In 1921 there were 301 tramps from

Montreal; in 1922, 409; in 1923, 246 and last year 447. As an hon. member has pointed out, some 153,000,000 bushels of grain were carried out of the port of Montreal in the past year, of which tramp steamers carried 60 per cent. We had a case in Toronto of both rail and rail and water rates quoted by the railways from Toronto to Vancouver on package freight. A tramp ship obtained from the Canadian merchant marine was bought by the Kirwood line and it set a cheap all water rate from Toronto to Vancouver via the Panama canal; it cut the rates materially and saved the merchants in Toronto a lot of money.

The government's policy will so hamper the freedom of tramp steamers as to remove competition in the open market for freight. In other words, the government will bonus the tramp's competitor, taking away a part of his customers. Now, the tramp ship has an important function to perform, and if hon. gentlemen will only consult the figures for any ocean, gulf or lake port in Canada they will see what an important factor the tramp steamer has been in Canadian shipping. Let us beware of this policy; we do not want to do anything that will eliminate competition. Let us ensure regular business for the tramp steamers and in that way maintain competition. The regular liner has a different function to perform from that of the tramp, for the liner's sailings are always advertised in advance. The liner takes its business in a different way from the tramp and often confines its traffic to one point.

All these things must be borne in mind. I do not think that any hon. gentleman in this House can have any doubt in his mind as to what effect this contract will have on the tramp steamers. The hon. member for South York (Mr. Maclean) and the hon. member for North Waterloo (Mr. Euler) have both expressed on this subject views to which I must take exception, namely, favouring the co-ordination of the Canadian National and Canadian Pacific Railways. Let me say emphatically here that it is not public ownership that has got our railways into their present condition, but private ownership. I do not believe in the policy which these hon. gentlemen have enunciated, for it strikes me as being—another way only of handing over the Canadian National railways to the Canadian Pacific Railway, which is the very thing that the Canadian Pacific Railway Company wants to bring about. Competition is the life of trade, and there is every reason why we should encourage competition between the Canadian Pacific Railway and the Canadian National system. I am sorry that the hon. member for South York, the dean of the House a public ownership man, is not here to-night, because I should like to say to him that the policy he advances will not prove a solution of the problem we have to cope with. What is suggested would only create a vaster combine than has so far existed.

It is my firm belief that a measure of such supreme importance, before being adopted by this parliament, should be submitted to the people for their approval or otherwise. I certainly do not think that we should undertake at this time to endorse it. It seems to me that we stand in the greatest need of a control of rates, not only as they affect ocean transportation but also as they apply to our railways. There is no doubt whatever in my mind that a combine exists in the passenger associations of the Canadian National Railways and the Canadian Pacific, and that combine meets to fix rates to suit itself. Let us realize once and for all that it is not only on the ocean that a conference dictates the rates that shall be charged; there is a conference on the land as well known as an association, and it is as bad as the Atlantic combine on the ocean. The representatives of our two great railway systems sit around a table and fix rates, and both of them have an eastern and a western passenger association. These two railways utterly ignore the Board of Railway Commissioners, and this has been proved to be the case. It seems to me that if the Canadian National Railways were really anxious to secure the cream of the passenger traffic from the large centres of population, they would adopt the system that prevails in connection with the railways in Great Britain, Australia, France and in the United States; that is to say, they would give to the working people who are paying the taxes something in return for their money, in the form of reduced rates for week-end holidays, fall fairs, conventions and similar occasions. This would enable the working classes to get out of the large and congested cities into the country and so have some chance of building up their health, instead of living in close tenement houses. Let me inform the House that the British railways have found these cut rates on special occasions to make good business. But what are our National Railways doing? They simply sit around a table with the Canadian Pacific Railway, and when the representatives of that railway suggest a rate as their policy, the Canadian National says, "Me too". That is their policy—"Me too". Would it not be infinitely better for the Canadian National

9 p.m.

Railways, by means of reduced rates on such special occasions to have their trains filled going out of Toronto, Hamilton and other large centres, instead of as at present with hardly anyone on them? Let them cut their rates and in that way obtain the cream of the passenger business. Talk about a combine on the Atlantic! Why, a greater combine for the fixing of rates exists in connection with railway transportation in this country and this in face of the fact that a railway commission is supposed to exercise of their own volition some oversight in railway matters. During the last two years the railway commission might be described as lost, strayed or stolen, so far as any influence it has exerted is concerned. For all the good it has done recently it might as well be abolished, and it seems to me that if railway rates cannot be regulated within the four corners of Canada on land there is not much hope of success when the government undertakes to apply control of rates on gulf, lake and river, and even on the ocean. If this subsidy policy is extended it will cost the country a great deal more than $13,000,000 in ten years. If, as the Prime Minister has suggested, an offer is made to other concerns, say the Canadian Pacific Steamship Company, and they come in on the same basis, and if others also come in on the same basis, where is this thing going to end? Nobody knows what it will cost. The farmers do not know; this House does not know. It may be analogous to the case of the Grand Trunk and the Grand Trunk Pacific where years ago it was stated that the cost to the country would be $14,000,000, but the hon. member for South Oxford (Mr. Sutherland) showed the other night that up to date the cost had been over half a billion —and we are not through with it yet. More than that, the deficit on operation of the National railways is sixty or seventy millions a year; and this is nothing but an added subsidy put into the taxes for the boon of free competition between the Canadian Pacific and the Canadian National.

The British authorities, who have done so much for Canada in maritime matters are very much alarmed about this proposal. So moderate a paper as the Morning Post, of London, England, a very conservative organ says:

> In this country the principle of subsidizing shipping is considered to be unsound. It tends to relaxation of effort on the part of the subsidized. Moreover, that one province of the empire should confer an advantage by means of a state subsidy upon one particular line of steamships is to interfere with the unity of the shipping services of the Empire. It is to the profit of every part of the empire that sea transport should be conducted upon a common policy, in which the interests alike of shippers, passengers, and ship owners are impartially and fairly recognized. And the British shipping industry may justly claim that it has been, and is being, conducted upon that principle. It was built up by individual enterprise, without state assistance other than payment for the carriage of mails or retaining fee for the use of vessels in war; and at a time when shipbuilding is three and four times what it was before the war, and the cost of management double and treble, British ship owners continue to conduct their business without asking anything from the government except freedom from regulations which would place them at a disadvantage as compared with the foreigner. The duration of the contract made by the Canadian government is stated to be ten years. It may be doubted if it will last quite as long.

I doubt it, too. The last contract in 1897 with Sir William Petersen lasted less than a year, and then Sir William Petersen was handed back his money with interest in 1899. I quote from another despatch from Great Britain, dated at London, February 16:

> Sir Halford MacKinder, chairman of the Imperial Shipping Committee, the body erected by the Imperial Economic conference of 1923 to consider disputes, writes a complaining letter in to-day's Times. He says several of the complaints made by W. T. R. Preston were not first presented to the Imperial Committee and that two favourable reports on other Canadian complaints were made by the committee and two more are in preparation. Hon. Mackenzie King voted for the creation of this committee, which he now disregards.
>
> The idea is growing in England that Preston's report, much of which is characterized by the Atlantic Conference as wild and unfounded, is only a step in a political move by Premier King. The Morning Post devotes a column to this thesis.
>
> Meantime the rumour persists that the Canadian Pacific will jump out of the conference and accept the Canadian government's subsidy to avoid the competition of rival lines to Canadian ports, consequent upon the reduction of the United States quota. The handing to the Canadian Pacific Railway of immigrants now sent by the Cunard and White Star lines, as well as those by the Dutch and Scandinavian lines, would mean big business to the Canadian Pacific Railway, especially in view of the attempt of the Liberal government shortly to be made to increase Canada's waning population by indiscriminate recruiting on the continent of Europe.

That is what the chairman of the Imperial Shipping committee says. Then, in the British House of Commons the other day, on the orders of the day, the Parliamentary Secretary of the Board of Trade, Sir B. Chadwick, in reply to Mr. B. Smith, socialist, Rotherhithe, who asked whether there was a great disparity in the freight rates to Canada for settlers' effects charged by conference lines and non-conference lines, said that the whole question of trade rates would shortly be investigated by a special parliamentary committee in Canada. I quote from a report in the Morning Post:

> Mr. B. Smith asked whether, in accordance with the Preston report, which was a Canadian government official report, that colony intended to treat the favouritism between Germany and other countries as against British exports and imports to Canada as a first-class political issue, having regard to the fact

that they claimed that British peers, knights, and directors of the shipping conference in this country had whittled away the preference granted by Canada to this country?

Sir B. Chadwick—That will be the subject of the investigation. He had no idea as to the date or constitution of the inquiry.

Now we have another authority, Sir Frederick Lewis, at the annual meeting of the Gulf line, a subsidiary of Furness-Withy, who stated that only five per cent had been earned by the vessels of this line engaged exclusively in the Canadian trade. He said:

"These results," said Sir Frederick, "throw an interesting sidelight upon criticism brought against the lines operating in the north Atlantic trade by W. T. R. Preston, who has reported to the Canadian government that the steamship lines are throttling Canadian industry by their exorbitant freight rates, and "must be earning enormous profits." As a matter of fact, two of our vessels have been engaged exclusively in the Canadian-United Kingdom trade during 1924. On one-third of the voyages there was an absolute loss, and on the year's trading the net earnings of these two vesels represented a bare two per cent on the cost of the vessels, which has to cover depreciation, interest and overhead. We are able to maintain a dividend of five per cent per annum simply and solely because in other times we have prudently written down the value of our steamers and have received a more satisfactory return on our money investments than from our steamers trading."

It has been contended, Mr. Speaker, that the Canada Steamship Lines have constituted a monopoly on the lakes. I need not give the history of this company, but I would point out that a union was effected of several lines, including Inland Lines, Limited; Northern Navigation Company, Limited; Niagara Navigation Company, Limited; St. Lawrence River Steamboat Company, Limited; Richelieu and Ontario Lines; Thousand Islands Lines; The Steamships Jacques and Bickerdike; Ontario and Quebec Navigation Company; the steamer Haddington; and not less than 80 per cent of the shares of the Canada Interlake Line Limited and the Quebec Steamship Company, Limited. These companies united to carry on a lake, gulf and ocean service. We in the Toronto district have been sometimes very much dissatisfied with the rates to Niagara and other lake ports, but we are going through a period of high prices. I have a clipping here from the Globe of March 20 in which it is also pointed out that there was a shrinkage of over 12 per cent in revenue, with net profits equal to only a little more than one per cent on the preferred stock, despite substantial reductions in operating expenses, interest charges, debts written off and even depreciation allowance. The statement is as follows:

Total revenue amounted to $10,435,115.15, a decrease of $1,448,767.28, or 12.2 per cent, from the previous year, of which amount $1,145,237.54 represents decreased revenue from lake and river freight vessels, and $303,529.74 represents decreased revenue from all other company operations.

The net earnings for the year before interest, bonds, discount, depreciation and taxes were $1,656,027.21, a decrease of $499,486.18 from the previous year; and the profit for the year after all charges, bond discount and reserves was $143,818.99, a decrease of $333,424.86 from the previous year.

It is said that a good lawyer has drafted this Petersen contract. Well, that does not make it any better. Very brilliant lawyers, the late Hon. S. H. Blake and the late Mr. Christopher Robinson, drafted a street railway agreement for the city of Toronto in 1892 on which fifteen decisions were given by the Privy Council. It was finally decided that the agreement as drafted did not carry out the intent of the contract, and the whole result was a mass of litigation extending over thirty years. The agreement was found not to carry out the understanding of the parties to it. I do not think there ever was a contract in the history of the world which was so prolific of litigation as that street railway agreement. But this present contract, I am sure, is going to be very prolific of litigation. Consider its lack of penalty clauses, its lack of clauses with regard to specific performance of the contract, to say nothing of the jokers that may be found in it.

The steamship companies say that the increase in ocean rates is justified; that it is purely an economic consideration and that it is the result of the increased cost of ships, increased wages, increased cost of food, fuel and operating expenses; increased cost of labour and so on compared with pre-war figures; increased cost of organization and overhead. It is pointed out that many vessels running on the north Atlantic between Canada and Great Britain were lost during the war and had to be replaced at tremendous cost. A vessel which cost £150,000 in pre-war days would cost a million pounds to-day. The present rates, they say, of passage are not due to any conference between steamship lines; they are absolutely necessary to make it possible for the steamship companies to provide an adequate service to meet the requirements of the present day public.

The Prime Minister said the other night that he had received many complaints in regard to rates. I do not doubt that he has received complaints. I have received complaints myself about rates, not only on the lakes but elsewhere. The Canadian merchant marine and the publicly owned Niagara-St. Catharines line to Port Dalhousie and the Falls could have regulated the lake rates out of Toronto to the Falls but fell down and

sat in with the Canada Steamships to fix the same high rates instead of allowing free and impartial competition to give relief.

High rates are not confined to the ocean. We have in this country high telephone rates, high express rates, high telegraph rates, high railway rates. The railway commission virtually allows all these public service corporations to do what they please. We have high sales taxes and high income taxes. How is it that this is the only combine that is attacked? What about all these other combines on land that we have in this country—the bread combine, the oil combine, the bankers' combine, the American millionaires' combine grabbing our resources, the gasoline combine, the grain growers' combine, the coal combine, the elevator combine, the transportation combine and the manufacturers' combine? We have a Combines Act, passed in 1923, but how many prosecutions have ever been made under it? Not one. How many prosecutions have been made under the criminal code with regard to restraint of trade? None. We tried to get a bill of indictment a few years ago against the milk industry in Toronto, at a time when there were a lot of people out of work and the rates for milk were raised unduly. We also attacked the bread and restaurant combines. We said there was a combine of the milk association that met and fixed prices and we presented a bill of indictment to a judge at the Toronto assizes but could get nowhere. Trusts and combines are flourishing like a green bay tree in this country from coast to coast. They can regulate them in England and the United States but we cannot do it here. Yet the government ignores these land combines to interfere with the law of supply and demand on the ocean. They do not attack the trusts and combines within the confines of Canada where they have jurisdiction. Charity should begin at home instead of away out on the ocean, where we have no jurisdiction. We should first deal with the combines at home. The Imperial Shipping Board is to meet in the Old Country in a few days and take evidence. A new investigation has been ordered in England into the whole ocean rate problem in view of Canada's action.

In conclusion, I want to say a word on behalf of the party of which I am a humble member. It has been charged in this House, and in a number of party papers, including some Progressive papers, and we heard a great deal of talk also along the same line during the last election, that this party is allied with the big interests in this country. The Prime Minister and the Minister of Labour—I am not criticizing them particularly—have referred to us as the party supporting the big interests. Last session when legislation was brought down with reference to the agricultural implement industry, it was charged that this party represented the agricultural implement industry of this country. That is not so. In the Ontario election, the agricultural implement industry did its best to keep the Drury government in power. The Conservatives are not the allies of the big interests and of the agricultural implement manufacturers. I can speak not only for myself but I think for the whole Conservative party when I say that we serve no big interests. Some of us have suffered in the battle against the big interests and are prepared to suffer again. We have battled against them in Toronto, to give that city freedom from combines in light, transportation and power. Conditions were such that only a rich man could afford to have electricity in his house, because it was costing from two to three dollars per unit for light and power. But to-day every workman in the city of Toronto has electric light in his home at a cost of 92 cents per unit as compared with two or three dollars a few years ago. So I say the Conservative party represent no big interests. On the contrary, we have battled against them, and are prepared to do so again. While we criticize this policy of the government we desire, and I believe every member of this House desires, to see lower rates on the ocean and on the lakes as well. I agree with the object the government is seeking to attain, but I disagree with the method they propose to accomplish that object. For these reasons, Mr. Speaker, I am opposed to the proposed Petersen agreement.

Mr. D. M. KENNEDY (West Edmonton): Mr. Speaker, I had hoped during the progress of this debate that some substantial reason would be advanced by the government, or by some member on the opposite side of the House, to show why we should support this resolution; but instead of that, we have had various explanations regarding the issue that is before us, and most of them have been to the effect, in my judgment at least, that the subject matter of this resolution is not really before the House at all, but something else. That would be especially true, I think, of the explanation made by the hon. member for St. Lawrence-St. George (Mr. Marler) this afternoon.

But let us take just the first three lines of the resolution:

> Resolved, that to give the government of Canada control over certain ocean rates it is expedient to

ratify and confirm the agreement between His Majesty and Sir William Petersen, K.C.B.E., as set out in the schedule to this resolution.

Now if I understand at all the question that is before the House, we are asked to say that it is expedient to ratify this agreement in order to give the government control over ocean rates. Control over ocean rates is to grow out of ratification of the agreement contained in this resolution, and we are to have none except by the ratification of this agreement with Petersen. That is as I understand the question before us. I know that the Prime Minister has explained that the question that was before the House was generally the control of ocean rates, and that we were not necessarily tied up to this agreement with Sir William Petersen. It would not be very hard in my judgment to have the resolution redrafted to meet that view, and it would be just as easy to do it now as after the special committee reports to the House after the second reading of the bill.

As far as I am concerned I am personally opposed, in a general way, to voting subsidies to private individuals or private corporations. I do not want, however, to take the attitude that if a specific proposal to grant a subsidy for a specific purpose should be made, and substantial reasons should be given to show that the subsidy would be in the general interests of the country, that I would not in that case support it. So from the start I followed this debate as closely as I could, in order to see if there was any substantial reason offered by the government or any of its supporters as to how ratification of this agreement would really give us control over ocean rates; and so far, Mr. Speaker, I have failed to find a substantial reason for coming to that conclusion. I suppose it would be unreasonable to expect that most of us in this House, inlanders as we are, with very little knowledge of the sea, would in the first instance be prepared to say whether or not ratification of the agreement would give control over ocean rates. So for that reason, I say, I approached this matter with as open a mind as possible, and I have come to the conclusion that up to the present time there has not been advanced one strong argument in favour of the ratification of this agreement.

The purpose, then, of the resolution and this is the question that will be referred to the special committee after the second reading of the bill, is to provide by this agreement a subsidy to Sir William Petersen to help the government get control of ocean rates. The question, of course, at once arises: Will this agreement do that? There emerges also the second question: Is this the best possible method of doing it? I wish to examine what in my judgment would happen if we ratified this agreement. When the hon. member for East Calgary (Mr. Irvine) was speaking the other evening he stated that he did not believe we were going to get a greater reduction in freight rates than the equivalent of the annual subsidy. The Minister of Trade and Commerce (Mr. Low) intervened and said that he expected the reduction would total two or three times the amount of the annual subsidy. Now, I cannot believe that Sir William Petersen is going to enter into a contract with this or any other government or any individual under which he will give two or three dollars in service for every dollar he receives in subsidy or freight rates, as the case may be. The very first thing that appeals to me then is this, that if we give Sir William Petersen this annual subsidy we may get a reduction in freight rates equivalent to the total amount of our annual payment to him. Well, suppose we get that reduction, what will be the attitude of the combine? It may take one of two positions: It may say, "We will fight this Petersen line and the Canadian government's action." If the combine takes that position, do we not right there get the grossest kind of discrimination possible between shippers of wheat, cattle, apples or any other commodity by the Petersen line and by the combine respectively? But suppose the combine says: "We are going to take the Canadian government at its word when it says that this offer is open to all lines." Then are we not going to be obliged, under the terms of the resolution itself, to give the same consideration to all other lines that are willing to come in? To my mind it is simply opening the door to a system of subsidies that at this stage I certainly am not willing to vote in favour of.

Now as to the subsidy itself. It has been examined by some hon. members, but it will be necessary for me to go over some of the ground again in order to round out my argument. The subsidy we are offering to Sir William Petersen is £275,000 per annum, or about $1,250,000 on ten ships for ten years. This means that in that period we will pay him $1,250,000 for every ship that he operates. Each ship therefore will earn in the ten years the equivalent of one year's subsidy—$1,250,000. This is very much more than the capital cost of the ships, if the statements made by the Minister of Trade and Commerce and the Minister of Railways (Mr. Graham) are correct. They compared the cost of shipbuilding to-day with the cost when the

ships of the Canadian Government Merchant Marine were constructed, and it will be found that at page 722 of Hansard the Minister of Trade and Commerce stated:

I might add myself, in addition to that, that the Canadian Government Merchant Marine probably cost three times the amount it would cost to build to-day.

And at page 1128 of Hansard will be found this statement by the Minister of Railways:

We were not responsible for the Canadian Government Merchant Marine, which cost three or four times as much as it would now.

Now, according to Mr. Ballantyne, the cost of the merchant marine in 1921 figured out at $191.95 per deadweight ton. Perhaps I had better read his statement, which will be found in volume 2 of the 1921 Hansard at page 1274:

Now I come to the comparative cost of construction. The average cost of constructing all the vessels under the government shipbuilding programme figures out at $191.95 per deadweight ton. The average cost of the vessels constructed by the United States Shipbuilding Board has been stated in a recent official communication to be about $215 per deadweight ton.

If we take the figures of Mr. Ballantyne, and accept the statement of the Minister of Trade and Commerce and of the Minister of Railways that the cost to-day is one-third of what it was in 1921, $191.95, we find that the cost per deadweight ton to-day should be about $63.98. Multiply that by 9,000 tons, the deadweight tonnage of the Petersen boats and apparently they will cost $575,820 each. So it would appear that if Sir William Petersen can organize a company to take the ships off his hands, he can almost make a present of them to the company and have a very profitable bargain by retaining the surplus over and above the cost of the vessels, which would allow him something after providing liberally for interest in connection with the time payments on the ships, supposing that was the arrangement made.

We may compare the subsidy in relation to the cost of shipping in another way. Before the committee dealing with the Canadian National railway estimates last year Sir Henry Thornton gave a statement with regard to the earnings of the merchant marine boats going to the Old Land. There is not very much difference between some of the gross earnings there and the gross earnings worked out here in connection with the proposed Petersen boats for the typical cargo set out on page 723 of Hansard. Their earnings for the round trip are given at $43.599. The earnings of most of the trips of the merchant marine boats last year ran from $30,000 to $40,000. Now, if we take the subsidy and break it up into about sixty trips for the boats, we are paying about one-half of the total cost of operation, and we could cut the rates in half and still Sir William Petersen would be able to carry on. That shows of course how tremendous the discrimination would be between shippers using the Petersen boats and those using other boats. But if we are going to pay more than the cost of the boats in the first place, and if this arrangement is going to be open to all the shipping companies, are we not going to be in the position practically of having to buy all the tonnage on the Atlantic and then hand it over to the private concerns in order that they may give us low rates?

Now, Sir William Petersen is asked to operate his fleet in loyal co-operation with the Canadian Government Merchant Marine and the Canadian National railways. In the Preston report at page 11 we have a paragraph headed "Efforts to co-operate with combine" and another paragraph headed "Frank statement Canadian case." Mr. Preston in addressing his memorandum to the various members of the combine says that the Canadian government has evidently in mind, two possible methods of trying to co-operate with members of the combine or with others in connection with a reduction in rates. The first is:

(1) By an arrangement with an independent steamship company with government assistance, and government control over freight rates.

(2) The establishment of a government service between British and Canadian ports with modern vessels.

In the last paragraph of that same letter we have the following:

The government railways traverse the Dominion of Canada in about 24,000 miles of tracks or service. It is fair to presume that whatever action the government takes in the matter, will be towards linking up the suggested ocean transportation with this enormous mileage of National railways; and it is also fair to presume that the government railway will co-operate with such shipping interests in solving the question of ocean rates and transportation, so necessary to the development and prosperity of the Dominion.

Now coming back to page 723 of Hansard we have a letter from Sir Henry Thornton to the Minister of Trade and Commerce (Mr. Low) where he refers to the possibility of a certain relation between the Canadian National Railways and the Petersen boats or the Petersen line that is somewhat interesting in connection with the statement of Mr. Preston as to the steamship companies. The letter reads:

Dear Mr. Low:

I have had an opportunity of looking over Teakle's figures in connection with Sir William Petersen's proposition, and I note there is a substantial agreement

with respect to operating costs which would seem to bear out the essential claim of Sir William, although neither has included anything for what may be called "managerial expenses." I should hardly think, however, this would be a very large item as our own shipping officers and freight solicitors on this side could canvass freight for the new proposition as well as the railway without additional expense.

There is a clause in the agreement to the effect that they will co-operate with the Canadian Government Merchant Marine and the Canadian National Railways. I contend that that clause is not really a provision to guard the interests of the National Railways, but it is really a clause that gives something to Sir William Petersen, or compels him apparently to go into a relation which would be of very great advantage to himself. I submit that it may be of some value to the Canadian National Railways to get ten modern ships, or ships possibly better than the ones they have, if they really are, some advantage for the National Railways to have some improvement in the steamship service in direct connection with the railway; but when it comes to the other side of the bargain, when we consider the advantage to Petersen, in addition to the subsidy, of being linked up with the Canadian National Railways, there is absolutely no comparison between the advantage of Sir William Petersen and the advantage to the Canadian National Railways. The advantage to Sir William Petersen is overwhelming, and the advantage to the Canadian National Railways is almost nothing. The things are not on a parity; there is no comparison. So that that clause in my opinion is of very little value so far as the country is concerned.

There is another matter I wish to refer to, and that is that we have at present the Canadian Government Merchant Marine, and we have in the north Atlantic apparently a surplus tonnage, and this policy calls for an addition to surplus tonnage. Does that not mean that the Canadian Government Merchant Marine will have proportionately less chance to get full cargoes than they have at the present time, and so increase the difficulty of earning dividends or getting return cargoes? That is the great difficulty, according to Sir Henry Thornton, in the way of making them pay. Why are we seeking to follow this policy of putting additional tonnage on the north Atlantic? But suppose these ships are a great improvement on the present Canadian Government Merchant Marine boats? The right hon. leader of the opposition claims that these boats are not necessarily an improvement. I think possibly in most respects they are not, but there seems to be one feature in which there is just a little improvement, and that is the proportion of net tonnage of the boats to the gross tonnage. Most of the Canadian Government Merchant Marine boats have a tonnage running about five thousand and over gross, and a net tonnage less than thirty-five hundred, while the Petersen boats have a gross tonnage of five thousand with a net tonnage of thirty-five hundred. There is not very much difference. But in any case if the government and Sir William Petersen are fitting those ships up to efficiently serve the trade in the north Atlantic, surely they have been collaborating together in order that we may get suitable boats, and drawing from the experience that has been gained from the operation of the Canadian Government Merchant Marine, they will be able thereby to judge more accurately the needs of the trade; and if these boats are better and practically brought into the Canadian National service, are we not going to turn to Petersen the profitable end of the shipping business, and hold for ourselves the less profitable end, the Canadian Government Merchant Marine, if that merchant marine is as unsuitable as has been claimed. And I do not therefore see why Petersen should be brought into this bargain at all. Petersen can get his subsidy, but what guarantee has the government of Canada or the Parliament of Canada that this business is going to be extended? What knowledge are they going to obtain of the business by handing a subsidy to Sir William Petersen? I submit the Canadian government and the merchant marine can operate boats as successfully as Sir William Petersen, and if they can do so and if the boats are profitable and successful, we will have the same access to knowledge of the shipping business as carried on by the new boats, as we now have with the Canadian Government Merchant Marine. But if the profitable end of our business is to be in private hands and the private company is to obtain all the advantage of being connected with a national system of railways, and all the advantages that the Canadian National can give them in the way of soliciting freight, I say we are letting business that ought to be in our hands get into the hands of private owners, and the government will be in this position, that seeking to fix reasonable rates they will not have access to the accounts and therefore will not have a proper knowledge of what the rates ought to be.

For a few moments I wish to examine some of the reasons that have been given as to why we do not use the Canadian Government Merchant Marine. The right hon. leader of the opposition referred yesterday to the statement of the Minister of Agriculture (Mr.

Motherwell) who said that the ships were too small for the ocean and too large for the lakes. When I heard that statement I could not help thinking of the old explanation of why men do not marry. The explanation was that young men are too young and old men are too old. I think that matter was dealt with sufficiently yesterday, and there is no object in referring to it again. The hon. member for Lunenburg (Mr. Duff) went into another explanation. He stated at page 1070 of Hansard:

> The Canadian Government Merchant Marine ships are of very different construction and, with the engines they have, in very rough weather cannot make more than five knots actual speed.

Then he said regarding the Petersen boats:

> You will find that with the Diesel engines with which these ships will be equipped, they will be able to make their eleven knots at any time except, of course, in a very heavy gale of wind.

That is not a very good explanation, because it gives the speed of the merchant marine in very rough weather, and gives the speed of the new boats in fairly good weather. Perhaps the hon. member was canny in that regard. But in any case what is it that very largely determines the speed of a ship? Is it not the ratio of power to tonnage? You will find, if you examine the specifications of the Petersen boats, the 9,000 deadweight ton boats, or 5,000 gross tons, have an indicated horse-power of 2,250 and a brake horse-power of 1,850, while the boats of approximately the same size in the merchant marine have an indicated horse-power of 3,000 and up to 4,000 with a brake horse-power of about 80 per cent of the indicated horse-power. Therefore, there is no reason for concluding, as far as I can see, that the Petersen boats with less horse-power in proportion to their weight, can have any greater speed, especially in rough weather, than the present boats of the Canadian Government Merchant Marine.

The Minister of Railways and Canals (Mr. Graham), gave us in his speech as the reason that the merchant marine boats could not be used, that they were at present in use and could not be switched to the north Atlantic. I am not very well convinced that this is a good argument, because wherever you read about shipping to-day, there is a surplus tonnage everywhere and it would not appear that with a surplus tonnage throughout the world to the extent of millions of tons, there would be any great disturbance of trade on any route by the transfer of a few boats. But in any case, as I have argued before, there is no reason why we should hand over these boats to Sir William Petersen when we might utilize them and do the same business as Sir William Petersen can do, the only difference being that in the one case we have to pay a subsidy without an actual knowledge of the returns and, in the other, we would pay any deficit, if there was a deficit, with the fullest knowledge of the transaction. Sir Henry Thornton, speaking before the select standing committee on National Railways and Shipping last year was asked this question:

> Q. Would you say this particular fleet we have now, of sixty vessels—has it any possibility of ever arriving at that condition? You spoke of the Canadian Pacific Railway? They have different kind of vessels? —A. Yes.
>
> Q. Is it possible to secure success, in your opinion, with vessels we have now, or will it be a continual loss from year to year?—A. I would not like to make a positive assertion, but I will say this, somewhat tentatively; that, considering our merchant marine as a whole, we have to go either forward or backward. If we feel that the merchant marine service has a value to the people of Canada in all of their industrial activities, and to the railway itself, I think I should answer that question in the affirmative. Then we have to face up to, I think, putting these vessels, these implements in such shape as to get the maximum efficiency out of them.

There is just one other quotation I wish to read here, and that is with regard to the north Atlantic business. Sir Henry Thornton was asked this question:

> Q. These returns are not very encouraging. You must have something to offset them?—A. Probably not to the United Kingdom, because if I remember the figures rightly, our total United Kingdom trade showed a deficit of about half a million dollars.

A little further on Sir Henry Thornton said:

> We do not show any profit to the United Kingdom, and we can charge all of that to the wretched condition of the westbound movement.

I am opposed to this method of attempted control which, in my judgment, will not control at all, or at least I am not convinced that it is leading us in that direction. I am opposed to the resolution because I believe it is a step backwards and not the step forward that the man whom we have put in charge of the National railways and merchant marine has said that we should take. We are taking a backward step. I am opposed to the resolution because it is definite and specific with regard to this agreement. I am opposed to subsidies in general, and I am opposed to this one in particular until I get more information. If I am forced to vote on this question without additional information, I must vote against the resolution. I am opposed to it, in addition, because I believe we are not standing in the way of the measure of control that we could get through putting on additional boats, because we have the unit of organization now in the merchant marine,

which, if its present boats are not sufficient, can be supplied with additional ships at just as little expense as we are supplying Sir William Petersen with boats under this resolution, and we would be more certain of the actual results obtained by putting them under our Canadian Government Merchant Marine. I am opposed to subsidies in general because, in the history of the country, possibly there is nothing that has led to more political corruption than the granting of subsidies to private individuals.

As regards the amendment, I am not very well satisfied with it either. We are not going to get any hasty action, I fear, if one goes back over the investigations that have been conducted with regard to shipping throughout the Empire for the last ten or fifteen years. I have in my hand the report of the Imperial conference of 1923, and it refers to the nugatory character of the recommendations of the Dominions Royal Commission. Nothing was done as a result of the investigation of the royal commission. I find that when the report which Sir Halford Mackinder presented to the Imperial conference, the most they had to recommend was that, instead of carrying on under the old system of deferred rebates that had been repudiated by a few of the dominions, they recommended a general application of the agreement system whereby shippers agreed to ship by conference lines. So, with the Imperial Shipping Committee coming up nearly to that point, in 1923 a point that South Africa had reached before by legislating against deferred rebates and recommending, instead agreements, I fear that the Imperial Shipping Committee, which apparently would be the body that would take this into consideration, would not give us results in time to save the cattle industry or any other industry that is in a very difficult position at this time. So, while I do not want to shut out this question, I am not willing at this stage to support the resolution as it stands. I shall, therefore, vote against the resolution if it is pressed to a vote in its present form, and I shall also vote against the amendment.

Sir HENRY DRAYTON (West York): Mr. Speaker, I had intended addressing an argument to you and making a statement to the House in connection with this very important matter. I do not, however, do so, simply because this afternoon some time after three o'clock our whip tells us that, against all usual parliamentary practice in this House, this matter is to be pressed to a vote on

[Mr. D. M. Kennedy.]

Friday night. Under those circumstances, it is idle, I think, for me to take up the time of the House. Of course, I shall have ample opportunity of discussing the question while the matter is in committee. But I point out that in the past, I think I am right in saying, a major motion of this kind has never been pressed on, contested, or got rid of, on a Friday night, certainly not without at least a day's notice being given to the other side. Everybody knows that hon. gentlemen leave on Friday, and everybody also knows that many Ontario members leave by the eleven o'clock train.

An hon. MEMBER: Why should they?

Sir HENRY DRAYTON: An hon. gentleman asks, why should they? The question is idle. Gentlemen on the other side know before making their arrangements just what is going to happen. We do not; we are told on Friday what is going to be done. And we have in connection with this most novel kind of legislation a novel kind of parliamentary practice. I therefore address no argument to-night to you, Sir. But I am going to do one thing which I think necessary, a thing which hon. gentlemen from Montreal have failed to do. The hon. member for St. Lawrence-St. George (Mr. Marler) did take part in the debate, and he gave us first-rate periods; he gave us some sentences that bring us back to where we were when we started.

What the hon. gentleman has said is entirely for the purpose of showing that the English language does not mean what it says. But there are written documents which I think ought to be submitted to the House, and I do not think that Montreal should be forced to be inarticulate because its members, under the whip of party necessity, must remain silent.

Mr. MARLER: Has Montreal been inarticulate? Have I not expressed my opinion clearly—perhaps not for the whole of Montreal but certainly for one section of it?

Sir HENRY DRAYTON: My hon. friend will hardly make any of us believe, in view of what our newspapers tell us, and in view of what is contained in the papers laid upon the table, that he was giving very loud utterance to the real feelings, the real ideas of Montreal on this question.

Mr. MARLER: I take entire issue with the hon. member in that regard.

Sir HENRY DRAYTON: It is getting late and the hon. gentleman is interrupting rather than asking questions; I shall therefore

have to press on. The hon. member for George Etienne Cartier (Mr. Jacobs) filed two petitions from Montreal bearing on this subject, but he was not kind enough to tell us just what they were. I got them this afternoon and I think it is only fair and just that they should be placed on Hansard. The first petition is from the Montreal Corn Exchange Association, addressed to the House in the usual form, humbly showing:

That the question of ocean shipping is a complex and difficult one, and has been investigated by the very best authorities for many years;—

That the conclusions of these various investigations have not been unanimous;—

That any drastic legislative action concerning ocean transportation is fraught with the gravest danger, and should be based on a report made by a properly constituted commission with the fullest possible powers to thoroughly investigate all phases of this most involved question, as well as to closely analyse all reports issued by various commissions, committees and individuals regarding it;—

Wherefore, the committee of management of the Montreal Corn Exchange Association earnestly prays your honourable House not to ratify the proposed contract between the Dominion government and Sir William Petersen for the establishment and operation of a regular steamship service between Canadian ports and British and continental ports.

And your petitioners as in duty bound will ever pray, et cetera.

I at once assure the Prime Minister that the petition is duly signed both by the president and by the secretary of the association. The other petition is from the Montreal Board of Trade and reads:

That the government of Canada has contracted, subject to the ratification of the Dominion parliament, with one, Sir William Petersen, or a company to be formed by him, for the establishment and operation of a regular steamship service between Canadian ports and British and continental ports, the consideration for said service being an annual subsidy to be paid by the government, amounting to approximately $1,340,000, on the basis of a service of ten ships, the government having the right to demand that the service be doubled, in which case the subsidy will be increased proportionately;—

That the reasons adduced by the government for entering into the contract are that trading communities and interests of the country are seriously handicapped in their overseas trade by disadvantages artificially created by the indiscriminate and uncertain rates and conditions enforced by shipping combines or conferences, the existence of which combines or conferences, however, together with the disadvantages for which they are held responsible, seem to have been predicated largely on the report of an individual investigator, who, however sincere, did not possess the necessary authority or technical knowledge to conduct an investigation into a question which is international in its scope and character;—

That, it is impossible to influence ocean rates generally by the method proposed because it provides lower rates on a small part of the traffic only, such lower rates benefiting only those shippers whose goods are carried by ships operating under the contract, and that at the cost of the already overburdened taxpayer;—

That the expenditure of such a large sum annually as is called for under the contract cannot but be contemplated with alarm, in view of the state of the national finances;—

Wherefore, the council of the Montreal Board of Trade earnestly prays your honourable House not to approve of the proposed contract, which would involve the country in such a heavy annual outlay without commensurate benefits to the citizens of Canada.

And your petitioners, as in duty bound, will ever pray, et cetera.

That petition also is duly signed by the president and the secretary of the board.

Mr. MARLER: And what is therein set forth is precisely what the committee will do; it will make an investigation before the contract is ratified.

Sir HENRY DRAYTON: There are evasions sometimes that work and evasions sometimes that recoil on themselves, and I am inclined to think that my hon. friend will find that most people are of the opinion that the English language means just what it says. The hon. gentleman says that what the government proposes to do in appointing a committee to investigate the matter is just what is asked in these petitions. That is not so. These petitions say definitely: "Don't have anything to do with the contract; don't overburden the tax-payer who already has a heavier load than he can carry. Don't do something ridiculous, something that will cope with only a very small modicum of the traffic, something that will have absolutely no effect on any general reduction of rates but will mean a tremendous expense to the rate-
10 p.m. payers". I have tried to be as brief as possible, Mr. Speaker, because I do not desire to delay hon. gentlemen who have made arrangements which they are bound to keep.

Mr. JEAN J. DENIS (Joliette): I have only a few words to say on the resolution but before casting my vote I should like to make my position clear and explain to the House my view of the question. What is sought in this proposed legislation is a reduction of ocean freight rates; and of all the problems which might come before the Parliament of Canada at any time there is none more arduous or more difficult than the problem of attempting to reduce the cost of ocean transportation. I say, therefore, at the very outset that any government that has the courage to try in any way to tackle this question and to wrestle with it ought to deserve the sympathy of the community at large as well as of hon. members of this House. I think we are all agreed that the reduction of freight rates, whether on land or on sea, is absolutely necessary in the interests of this country. Since the war freight rates have increased enormously, and this increase has

to a very large extent hampered the trade and the industrial development of Canada.

It is all very well to say we have an enormous country with unlimited resources, but those resources have to be carried to the markets of the world and unless we are able to carry them under conditions profitable to the growers, to the producers, to the miners, these magnificent resources can be of no avail. Therefore the government should be praised for their worthy attempt to reduce freight rates. Any such reduction would benefit all classes, more particularly the farmers; and in that connection I cannot forget the farmers of my own province, the old historic province of Quebec. I know what hardships the farmers of my province are facing now and have been facing since the conclusion of the war. Only through their thrift, their industry, their endurance and their patience have they been able to cope with the situation brought about not through the fault of any government but on account of circumstances arising out of the war and post-war conditions. I know that the farmers not only of my province but of every province of this Dominion are anxious that freight rates should be reduced; and this applies also, as I have just said, to all other classes of the community. That being the case; everyone being anxious to see the rates reduced—and that has been the desire not this year only, but for many years, as was mentioned this afternoon—the government have made a move; they have come to parliament with a contract. They have asked parliament to examine that contract and to pass judgment upon it, not as it is set forth in the resolution, but as subsequently submitted by the committee of parliament to which the matter is to be referred. What is now being submitted to us, unless I am mistaken, is not a final, irrevocable proposition; it is a draft contract; and I base my opinion as to that on the declarations made by the hon. Minister of Trade and Commerce (Mr. Low) and the right hon. Prime Minister (Mr. Mackenzie King).

I do not desire to pass judgment upon the procedure of this House, Mr. Speaker, but it would appear to me that the opposition have opposed the resolution altogether too soon. What was asked was merely the reference of the resolution to a committee for examination and investigation, and that being the case every hon. member might very well reserve his final judgment, as I intend to do, until the special committee reports back to the House. Unless I am greatly mistaken, the fate of this scheme will not be finally determined until the report of that committee is presented and until a vote of the House either gives effect to the contract or nullifies it. It seems to me, therefore, that it would have been much more appropriate to have deferred the discussion on the subject until after the committee had brought in their report. But hon. members on the other side were so anxious to engage in combat that they attacked the resolution immediately upon its being introduced and brought all their arguments to bear against it. For my part I do not intend to-night to discuss the merits of the resolution, except to say that on the face of it, it appears to me to be a worthy attempt on the part of the government to give the people of this country cheaper freight rates on the ocean. Is the resolution perfect? Are there any flaws in it? Can it be made better? All these questions will be submitted to the committee, and after the committee has made its report it will be time for us to judge as to the merits or demerits of the contract.

It appears to me that in following this procedure the government have not only acted in good faith but have also proceeded in a most democratic way. The autocratic method would have been to submit the contract to parliament and ask for a decision at once on the contract as submitted. The democratic way is to have the contract sent to a committee to be thoroughly examined, thoroughly sifted, thoroughly tested, and then for parliament to make its final decision when the report is brought in.

I listened this afternoon with a great deal of pleasure to the speech delivered by the hon. member for St. Lawrence-St. George (Mr. Marler) and I must say that I am fully in accord with what he said. I wrote down one of his sentences as correctly as I could, and if I made no mistake it would read like this: "I reserve my attitude and my vote until the bill comes back from the committee." This is the stand I intend to take, Mr. Speaker. In accord with the hon. member for St. Lawrence-St. George I think that all hon. members who are anxious that ocean freight rates be reduced should give this resolution an opportunity to be discussed in committee; should have this question, so important to all classes of the country, fully gone into both in the committee and in the House when the report of the committee is presented. For these reasons, Mr. Speaker, I will vote with pleasure for the resolution.

Mr. T. W. BIRD (Nelson): Mr. Speaker, after listening to most of this debate I have concluded that the only sensible thing to

do is to allow this proposal to go to a special committee. We are told that it would be a breach of parliamentary technique to vote for this resolution simply to enable the matter to be referred to a committee. Well, all I can say if technique stands in the way of the only sensible course to be taken, then so much the worse for the technique. I believe that the method of discussing trade resolutions prior to the introduction of a bill is something of a nuisance. It has involved us in a lot of waste time this week; in fact, we have wasted a whole week of parliamentary time over what is after all only a relic of procedure that has outlived its usefulness. I cannot see where there is any place in reason for discussion of this kind which leads to no practical results. I doubt whether in voting for this resolution we are transgressing, those of us who may ultimately be opposed to the final proposal, the technicalities of parliament. I believe it has been customary in the practice of this House to use this stage of the discussion on a proposal of this kind to settle the general principle involved. I think that is all that has ever been expected from this stage of the discussion. Now I notice that the general question, the underlying principle, has been accepted in an almost unqualified way by almost all sides of this House, and yet we have wasted almost a week over that one particular. The general question of the desirability of the control of ocean freight rates has been almost universally accepted by this House.

I shall not try to delve into the motives of the government or of the Prime Minister in introducing the motion as they have. The official opposition attributed it to the desire of the Prime Minister to wriggle out of—I think that was the word used—the responsibility which is supposed to attach to the Prime Minister and his government. As I say, I do not know what the motive of the Prime Minister was. I do not care very much, although I desire to credit him with the best of motives. But whatever his motives were, I think his action in submitting this motion to the House with the proviso that it is only the general principle which is to be decided upon is to be commended in itself. I think it is in full accord with the tendencies of parliaments in modern times. The circumstances under which governments of old came down to the House with a policy in one hand, and a big stick in the other, fortunately are of the past. I think this ought to be dwelt upon a little. I think it is significant in these days that prime ministers do consult the wishes of the people, and the wishes of the representatives of the people. To illustrate my point I want to refer to what I consider to be one of the most significant parliamentary incidents of modern times. I refer to the debate in the British House on the Trades Union Levy Amendment Bill. You will remember that the Conservative government in Great Britain came into power with the avowed policy of destroying the trades union political levy. That was their declared policy, but in the debate the other day on that proposition, Mr. Baldwin made history. He delivered a speech the like of which I venture to say has not been equalled in the British House. This is what the Manchester Guardian says of Mr. Baldwin's effort. After criticizing the old way of doing things that is, the big stick method of government, in which the government comes down to the House and says—take it or leave it—the Guardian goes on to say:

> Mr. Baldwin's way was different. He made no promises about fulfilling his pledges later on when he had time to remember them; no threats against the recalcitrant members of his own party; no impassioned pleas for the due observance of parliamentary procedure. "We abandon what we have laid our hands to," he said. "We, at any rate, are not going to fire the first shot. We stand for peace and to remove suspicion in the country. We want to create a new atmosphere in a new parliament for a new age in which the people can come together."

Then the editorial goes on to say:

> If he (Mr. Baldwin) lives up to the spirit of this speech he will be a great Prime Minister. It was the speech of one, who though the leader of a great party and a great majority tries to interpret the will of the people irrespective of party, who would rather conciliate than dominate, who can look at the other fellow's point of view, and who does not forget that a Prime Minister owes more to his country than to his party. Whether so striking, so emphatic, and so unusual an appeal to idealism in party politics will meet with a fitting response from either his supporters or his critics remains to be seen. But we may be grateful that the appeal has been made.

Mr. Speaker, I will not be trespassing very much on the time of the House if I read one of the closing paragraphs of that wonderful speech. In the Manchester Guardian of the 7th of March the debate in the British parliament is given in full. I will read the second to the last paragraph of the speech:

> We have our majority—

Hon. gentleman to my right ought to pay attention to this. This is a speech of a famous Tory leader:

> We have our majority, we believe in the justice of this bill which has been brought in to-day, but we are going to withdraw to one side, and we are not going to push our political advantage home at a moment like this. We at any rate are not going to fire the first shot. We stand for peace. We stand for the removal of suspicion in the country. We want to create an atmosphere, a new atmosphere in a new

parliament, for a new age in which the people can come together. We abandon what we have laid our hands to. We know we may be called cowards for doing it. We know we may be told that we have gone back on our principles. But at this moment we believe we know what the country wants, and we believe it is for us in our strength to do what no other party can do at this moment, and to say that we at any rate stand for peace.

That speech created a profound impression on all parties in the British House, and I venture to say in every quarter of the British islands. It met with immediate commendation from Labour and Liberal, and I cannot see how it can escape the commendation of every reasonable man. That is the tendency of the times. The big stick type of government is an outworn superstition, and whatever the motives of the Prime Minister may be—hon. gentlemen to our right who seek to prove that those motives are other than strictly virtuous are following a line of reasoning which I think is not strictly relevant to the question before the House. I believe the Prime Minister's action in itself is just what a modern democracy expects from a Prime Minister. To introduce a cut and dried proposition and try to ram it down the throat of parliament is the last thing that the ordinary citizen expects from a government to-day, and if that is the kind of government we are to get from the right hon. leader of the opposition, I think his chances of ever succeeding to power are exceedingly slim, because there is a temper abroad not only in Britain but in Canada which is absolutely against that spirit.

Now, Mr. Speaker, I contend that the debate so far, if it has proved anything at all, has proved that we cannot get any further intelligently without submitting this thing to a special committee. I have carefully followed the speeches and even the best of them, I think, are clouded over with a doubt. They have consisted for the most part of excerpts from different sources more or less well digested—less rather than more. One hon. gentleman said that we as a House could not be expected to know much about marine affairs. I heartily agree with him after hearing some of the speeches to-night. I think as the debate has proceeded we have not had very much real light shed upon the problems of shipping. So I contend that the only thing we can do is to send this resolution to a special committee, where we can meet transportation experts face to face and get their opinions. We are not experts; I venture to say that most of us know as much about the horse marine as we know about the merchant marine.

I think probably three questions ought to be put to a special committee. We do not need to ask if a combine exists; we are agreed that it does, and we are also agreed that some form of control is necessary. What we need ask the special committee is whether the combine which exists is hurtful or is one of the domestic type that is not ferocious to any degree. I do not know how the special committee would answer that question. It certainly has not been answered in this debate. There have been many attempts to do so, but I must confess that as yet I am no nearer deciding whether the combine is hurtful or not. Some hon. members have endeavoured to show that it is a monstrous affair, and others—mostly on my right—have attempted to show that it is comparatively harmless. Well, we do not know as yet, and we require the experts to get us anywhere in that direction. There is not enough knowledge among the whole of us to advance us one inch along that particular line. With respect to certain features of the situation I am more clear in my judgment than with respect to others. I believe that with regard to the important factor of grain the combine is not doing Canada very much harm. We have that proved in black and white. With respect to cattle we are in grave doubt. With respect to package and passenger freight we are equally in the dark. We cannot get any further than we are to-night—and we are nowhere—unless we have the experts face to face with us, and we might as well recognize our helplessness. Another appropriate question to put before the committee is: What kind of control if necessary, will be best? Of course, if the combine is harmless no control will be necessary. Does the proposal now before us promise to be effective in giving us control of ocean rates? I will not seek to enter into that question, because I believe we are just in the same position in regard to it as we are with respect to the nature of the combine itself. I do not think anyone to-night is qualified to give a convincing opinion as to whether this proposition is going to work or not. There is just as much haziness in the House on that score as there is on other aspects of the case.

Now, certain alternatives have been put forward, and I think it is the duty of hon. members to put forward alternatives when they disagree with any proposal presented by the government. I have noticed no less than five or six alternatives submitted during the debate, some of them more or less practical, others purely idealistic. For instance, there is an alternative in the amendment. There are certain things we do not know about the motion; but there is nothing we do not know about the amendment; it is so perfectly

transparent. The amendment belongs entirely to the realm of improbabilities. The leader of the opposition in his excellent contribution to the debate argued that it was incompetent for Canada alone to set rates between here and Europe. Well, it was an impressive argument and delivered with some dramatic display, but I immediately thought to myself: Well, if that argument is good against Canada, how much more is it good against the empire setting rates for itself? Why, I think the leader of the official opposition has only to reflect for a moment to realize how absurd in a world like this it would be for the British Empire to try to set rates against other countries. The world would blow up at once. Farewell to the League of Nations, farewell to pacts of peace if once the British Empire set itself against the world in this respect. There is no such thing as inter-imperial trade pure and simple. The empire is just as much enmeshed in international trade as the other nations are, and it is beside the mark to say that Canada herself cannot control rates.

I have been very much interested in reading opinions expressed in the British newspapers on the Petersen contract. I notice in the Economist—a periodical quoted by the leader of the opposition—that the new president of the Chamber of Shipping, giving his opinion, said that Canada unfortunately—I suppose he meant certain people in Canada—believe that it was possible for her to do all of the selling and none of the buying. I believe there is a widespread conviction in Great Britain that Canada is out to sell Britain everything and buy nothing from her. If ever the empire is to be persuaded to control rates on behalf of the Dominion, the empire would expect something from the dominions and that something is just what our friends to the right are unwilling to give them. They know that any bargain between us and Great Britain must be on a give and take basis, that if we are to get consideration in the matter of transportation we must give them consideration in this other regard. There is a certain amount of selfishness in an attitude of that kind, and I believe the time will never come when Great Britain, to whom shipping is so vital, will accept a one-sided arrangement of that kind. I was somewhat interested in the view put forward by the hon. member for North Waterloo (Mr. Euler). He deprecated the mixing of poetry and politics, but hon. members will notice that he was not so hesitant himself in entering the realm of prophecy, and it was very long range prophecy at that. He looked forward to the time when the Canadian Pacific Railway and the Canadian National Railways would join hands for the welfare of the country. He reminds me of the prophet who looked forward to the time when a little child would play with impunity on the hole of the asp and the lamb would lie down with the lion. I think it is a very attractive object but utterly idealistic, and we do not always associate idealism with the mind of an hon. gentleman who is so practical in his method of reasoning.

Mr. CAMPBELL: Did the hon. member for North Waterloo (Mr. Euler) not imply that there was a possibility of the Canadian Pacific being taken over by the Canadian government?

Mr. BIRD: I believe he did, but that possibility verges on the realm of impossibilities, a possibility which is far from being a probability.

I wish to enter the realm of prophecy on my own account, a little short-range prophecy for a change. There is one thing that has not been mentioned in this debate, and I am going to take upon myself the honour of mentioning it; and that is that in this country there are springing up mighty co-operative organizations. In the west we have monster grain co-operative pools. We have cattle pools also making great strides. Now these movements which are characteristic of the age spell co-operation, and I declare to-night, Mr. Speaker, that co-operation is the only alternative to combination, so we might as well face it to-night. All these other things are doubtful, probably visionary, and will bring upon us the bitterness of disappointment, but in this movement which is so characteristic of our western life at the present time some of us see the only hope of checking the menace of these combinations. Those of us who have been interested in the co-operative movement for a good many years, as though it were a kind of religion, have wondered at times at the indifference of governments to the movement. It seems to me that the movement could not do better to-day than to throw its weight into the scale on behalf of a movement of that kind. I do not say that the co-operative movement in Canada is ripe for any practical proposal as to shipping and transportation, but it will be in that position very speedily. And I would suggest to the government that it keep its eyes upon that movement, because I believe that in a short time it will have arrived at a stage of development where some proposition of that kind will be very feasible, and it is the only thing in Canada that holds out

the least hope of successfully combating the combine. There is another short-range prophecy that I want to make, and the House will pardon me if I refer to the Hudson Bay railway.

An hon. MEMBER: Order, order.

Mr. BIRD: It hit somebody in a very tender place. It has seemed to me during this debate an odd thing that the Hudson Bay railway has never occurred to the minds of hon. members of this House as being an alternative proposal, perhaps not an alternative but a subsidiary proposal. I listened with great attention to the speech of the hon. member for St. Lawrence-St. George (Mr. Marler). His speeches in this House compel one to listen because they give signs that they originate in his own mind. They are not pale copies of dead philosophies, and so on. We may disagree with him considerably, but he speaks with such originality on Canadian problems that we are compelled to sit and listen to him, notwithstanding the extreme length of his speeches. When he was talking about the idea of universal subsidies in order to relieve the farmer in regard to his transportation problem, I wondered that his logical mind did not turn to the Hudson Bay railway, because if this government would complete the Hudson Bay railway—and there are only ninety short miles to build, and it is all graded—if they would spend a few million dollars, which would be a mere flea bite compared with this doubtful proposition before us to-night, in completing the Hudson Bay railway, they would bring the western farmer just one thousand miles nearer to Liverpool, and it is the worst thousand miles too, because while the ocean stretch is infested by sea serpents, this other thousand miles is infested by worse animals. At one stroke they would take that thousand miles of land transportation forever from the sphere in which it is at present, being now wide open to the exploiters of this country.

Talking about exploiters on the Atlantic ocean, they are not to be compared with the exploiters on the land. Somebody said something about not stopping at the shore. I would not begin at the shore. You want to go a long way this side of the shore if you are going to do the thing right. The fight on the ocean is problematic, but the fight on land is a real fight with those whom we know and we meet face to face with men of our own country. There is not much heroism in fighting the British merchant marine. It is of no political significance to rub them the wrong way. But it takes really hard fighting to get rid of some of the pests that exist along our land transportation lines. By a very simple process, by spending just a few dollars which have been promised for many years by both political parties, they would cut out 1,000 miles. This would solve the grain problem. It would solve the cattle problem more than the grain problem. That is something which the western farmer can understand, but I question whether he can understand five words of the debate that has been going on during the last week. It means nothing to him; it is a medley of words, sound and fury signifying nothing to an inlander.

To return again to the attitude of my hon. friend to whom I refer, his attitude both in his speech on the Address and his speech this afternoon shows to me that a new light is breaking upon the statesmen of this country. I would say that my hon. friend ranks in that class. I think he has raised himself above the position of mere politician. I think he has endeavoured to look at the problems of this country in a fair, broad, statesmanlike way, perhaps not from the particular angle that we view them and not arriving at the conclusions that we arrive at. But we are getting somewhere when we have men stand up in this House and throw the old precedents and old ways of thinking to the winds and try to build up something constructive, not for political reasons, but as he says, and as we believe him, for the good of this country. I have no faith in subsidies as such; but I believe if a subsidy, as someone has said, can be proved to be of national benefit, not very many scruples will remain in the hearts of the farmers of this country. I believe we are fast coming to a kind of parliamentary government in which subsidies will be a comparatively safe form of national development. It has not been safe in the past because we have had the wrong kind of parliamentary domination. You could not entrust subsidies in the hands of politicians with whom we have been blessed for the past number of years; but I believe that the process is coming about by which this parliament, when it is thoroughly representative of the people and when the people have proper control over it, will be able to subsidize necessitous concerns of this country. I look forward to that age. I believe a complex civilization cannot go on without some form of mutual help; but this all assumes a very much advanced form of parliamentary government, and I am afraid that as yet we have not reached that stage. The hon. member is just a forerunner. I am afraid there is just a sprinkling of this spirit.

I am not in a position to make sweeping statements. I think this House is well meaning, but I believe the attitude taken by my hon. friend is not yet come. I should like to see more of it. As I said, when he was speaking, it was a wonder to me that his logical mind did not throw out some crumbs to the western farmer with respect to the thing for which he has been longing for almost half a century. I cannot conceive of anything that this parliament could do which would tend more completely to heal up the sores, the wounds, that are open and gaping in this fair country of ours. I was talking to a professional man in this city some time ago and naturally I reverted to this subject. He said to me: "Now, I do not know anything about the Hudson Bay railroad. I am not going to set myself up as a critic of that railway. I do not know the facts. I am going to refuse to accept the leading articles of these eastern newspapers which are most obviously inspired against it. This is the attitude I take. If this thing was going to cost twice the money, I would gladly concede it, because I cannot conceive of anything that would bring the west and the east together more effectively than that concession." It is a wonder to me that the government has not had something to say in that regard.

Finally I think the suggestion which has been made from different sides of the House that the proper solution lies in the use of our merchant marine, is the one that is finding most favour on this side of the House and, I believe, in the country. There is a wonderful appeal in the thought that we can make use of our merchant marine in order to reduce rates upon the Atlantic, and the government, when the time comes, will be well advised, in that spirit which I have tried to enunciate tonight and which was so wonderfully exemplified in Premier Baldwin, which I believe to be the spirit of the new age which is upon us, to reconsider the proposal which they have on the order paper and try to meet what I believe to be the overwhelming opinion in large sections of this country, that the use of the merchant marine with this end in view is the logical, reasonable and wise course to pursue.

Mr. JOS. T. SHAW (West Calgary): Mr. Speaker, such few observations as I have to make will, at least, have the merit of brevity. I have listened with the greatest interest to the arguments that have been advanced on all sides of the House in connection with this very important matter. I think one can readily dissect the subject matter into the three orthodox parts. First of all, does a combine exist? It may be called by a different name; the delightful term of conference may be applied to it; but not a voice in this House will be raised against the proposition that a combine does actually exist on the north Atlantic. The second question naturally follows: Is this a pernicious combine? Does it engage in unreasonable rate fixing? To that question, too, many of us, judging from the investigations that have been made not only in this country and in England, but in the United States, will agree, I think, that certainly on some occasions and probably on the great majority of occasions, the rates fixed are unreasonable. I do not now want to deal with that matter further. I think we all agree that there should be some measure of control in connection with ocean rates. We admit the principle immediately when we consider transportation rates on land. When it comes to the sea, perhaps some of us have a difficulty in the matter, but I for one find no difficulty whatever in coming to the conclusion that it is absolutely essential and vital that ocean freight rates should be governmentally controlled.

That brings me to the next proposition. We have before us two plans for meeting the situation. We have the plan embodied in the amendment proposed by the official opposition. We have on the other hand the plan proposed by the government. As regards the Conservative plan, because of the fact that it postpones action, because we can see no end to the road, I have no hesitation whatever in dismissing that plan from my consideration.

With regard to the government plan, I am not in a position to say whether or not the ten Petersen ships working in co-operation with the Canadian National Railways and with the Canadian Government Merchant Marine will be able to effect a reduction in ocean freight rates. I do not know; and that I think must be the position of a great many members of the House. We are not in a position to say, owing to lack of information. I suggest, therefore, that this is essentially a matter which should go to a special committee, a committee which can call before it representatives of the steamship companies and ascertain the rates that are charged, and which will have the facilities for determining what moneys the steamship companies are making as a result of their undertaking—a committee, in short, which will be in a position after listening to all the evidence to determine precisely what the real effect will be of this particular plan.

There will be another advantage in connection with the proposed committee: it will have an opportunity to call before it the man who framed the agreement, Mr. Lafleur,

who undoubtedly is one of the most distinguished jurists in this country, and who I have no doubt will be ready to answer many of what I think have been very severe reflections on the draftsmanship of this contract. It seems to me that the only reasonable objection offered to the reference of the matter to a committee rests in the fact that some members are of the opinion that the second reading of the bill commits them to its principle and that they are bound in consequence and feel themselves fettered and unable properly to deal with the subject when it comes from the hands of the committee. But so far as this objection is concerned I have not the slightest difficulty in view of the statement made by the Prime Minister on March 17, as follows:

> Let me emphasize the fact that hon. gentlemen, in agreeing to the resolution and the second reading of the bill, are committing themselves only to the principle of governmental control of rates.

That is the statement of the Prime Minister in connection with this proposal to refer the matter to a committee. Now I am not one of those who for a single moment will suggest that we should not take seriously the undertaking of the Prime Minister in this regard. I believe of every hon. gentleman in this House, as indeed I would have the House believe of myself, that an undertaking once given will be honoured; and we are justified in concluding that this particular undertaking will be carried out, especially when made by the responsible first minister of the country.

Mr. SPENCER: Did not the Prime Minister also say that the government would stand or fall by the resolution?

Mr. SHAW: What I have just quoted is the last statement of the Prime Minister on the subject, it is surely the considered undertaking of the Prime Minister and the one that should be given primary consideration. I say consequently that, the House not committing itself to the principle of the measure in supporting the resolution, one should find no difficulty whatever in voting for it. I commend the Prime Minister in this regard, although I should have preferred, instead of the matter being carried to a second reading of the bill as is proposed, that the whole question be referred immediately to a committee after the passing of this resolution.

11 p.m.

Mr. MACKENZIE KING: If my hon. friend will allow me to intervene here, I may say that I have had before me all evening a motion which I intended submitting to the House the moment the resolution before the House carried. That motion is to the effect that instead of the committee proceeding with the resolution we are discussing, it be referred immediately to a special committee. I have gathered from the trend of the discussion that there is a doubt in the minds of some hon. members as to whether or not they would be committing themselves to the measure if they voted for the second reading of the bill. The government, when the resolution was first introduced, made it perfectly clear that the intention was that it should go to a special committee for consideration and that there would be ample opportunity before the committee to consider and discuss the whole matter. So that there may be no misunderstanding, I may tell the hon. gentleman that such is the intention of the government; when the resolution carries the matter will at once be referred to the special committee.

Mr. SHAW: I need not assure the Prime Minister that this meets with the approval of a great many hon. members, myself included, although I am frank to say that I am prepared to rely on his undertaking, whether or not the second reading is moved. I commend the Prime Minister on the step he has just indicated, because in my opinion one of the serious problems we have to deal with to-day is the problem of cabinet autocracy. The principle is one that arose in the war and it is a principle from which we should get away as rapidly as possible. I disagree fundamentally and entirely with the view of the leader of the opposition (Mr. Meighen) in this regard; for if members of parliament are to be mere rubber stamps to register approval or disapproval of governmental action, then it seems to me we could do just as well by staying at home. I prefer the situation in which the member of parliament can feel that his suggestions and his criticism may have some definite part in the formulation of government policy. For that reason if for no other I commend the Prime Minister for having put this particular resolution in the form in which it is drafted, so that the committee may bring to it their unfettered consideration and their unbiased judgment. I shall have no difficulty whatever in voting against the amendment and, especially under the circumstances that have now developed, in supporting the resolution as proposed.

Mr. C. H. DICKIE (Nanaimo): There has been a great deal said both pro and con this resolution and we are well aware what the result of the vote will be; the amendment will be voted down and the resolution

carried. So that any words of mine will be futile. But I feel it my duty to place some of my views with respect to this important question before the House. We were assured from the outset that our good friends to the left would not see the party directly opposite in difficulty; their life boat is always to be seen coming through the mist when the government is in trouble, as my leader (Mr. Meighen) observed. However, the government is not in trouble in this instance. The Prime Minister doubtless expected when this proposition was put before the country that the agricultural population would be swept off their feet in favour of it, but for once some of the agriculturists have displayed a little incredulity and it is necessary to prolong debate in order to bring them to terms. We see them hour by hour being brought around to the government's way of thinking. With respect to the government's attitude in this matter, I can see that the Prime Minister did not feel quite happy when he perceived that it was not going over as strongly as he wished it to do. He is looking for a place on which to land; he is tired of the sea and I am sure that terra firma will loom up when this matter reaches the committee stage. I do not believe that the Petersen proposal will be ratified by this parliament; I do not believe that the public of Canada are in favour of it. It is folly to expect that ten small ships will have any influence on the immense shipping of the seven seas.

I come now to the immigration phase of this subject, on which the minister in charge of the measure (Mr. Low) dwelt with some emphasis. He stressed the great benefits that would accrue to the immigration problem in the operation of these ships. The Prime Minister touched upon it more lightly than the Minister of Trade and Commerce. The Minister of National Defence (Mr. Macdonald), if I remember rightly, did not touch on it at all. The reason was that a few well expressed remarks on the part of the hon. member for Burrard (Mr. Clark) entirely dissipated any hopes in that direction. No accommodation is to be provided on these ships for immigrants. We know that in Europe thousands are waiting to get into the United States when they can under the quota laws, willing to pay the rates exacted by the steamships. These people do not want to come here. This is not the time to discuss the reason why, and I assure you the Petersen line will not bring immigrants here who would not come otherwise. So that you can consider the immigration argument pretty well dissipated.

Another argument is based on the alleged exorbitant freight rates on the ocean. But there is not one jot or tittle of evidence to show that freight rates are exorbitant on the Atlantic.. We have not one tittle of evidence that the steamships in the combine—and doubtless it is a combine; I do not see how it could very well be otherwise and give good service—are paying huge dividends or even making adequate profits. On the other hand we have the fact that our merchant marine, although it has been sitting in at the conference, has been losing money. That is a very good argument that the combine as a whole is not making exorbitant profits; at least, we have no reason to assume that they are, so that is a very doubtful argument. We know that high rates are being charged on the ocean, but we know also that in these progressive days the ship-owners have to improve their services from time to time. We know that they have gone through very difficult times. We know that the Cunard line at one time was almost down and out, requiring assistance. These lines must vie with each other in giving service that is adequate to meet the demands of a rather critical travelling public, yet they must make money, they must make profits in order to maintain the service, keep the ships in proper condition and make renewals from time to time. Unless it can be proved that they are making excessive and exorbitant profits, that argument falls to the ground. And these two arguments, the one with respect to immigration and the other with respect to exorbitant freight charges, were the two strongest arguments used in favour of this resolution.

It has always been the practice when in doubt to hammer the big interests. But I am getting a little ahead of my subject. In a very eloquent address the Prime Minister read numerous letters with respect to the lack of success of shippers and others in Canada. But has there ever been a time in our history when people did not attribute to exorbitant freight charges, or to something else, what was probably due to their lack of business ability? Our agricultural people, my hon. friends to my left—have they not year after year hammered and hammered for a decrease in freight rates—hammered until they made one think of the horse leech's daughters who said, "Give, give, give?" Yet they are not satisfied. They would not be satisfied if they had lower rates; it is not natural for them to be satisfied. But I am not blaming them for one moment. The manufacturers of Canada are in the same position. We are always hammering at the big interests for

making too much money, but we have no proof of it, and the sooner we recognize that the big interests must succeed, the sooner we will put Canada on such a basis that capital will be attracted here. There has been too much hammering of the Canadian Pacific Railway Company and of other railways; the end aimed at is not a desirable one. We must get capital in Canada if we are to succeed. I can quite see how these remarks of mine can be construed as indicating that I am arguing in favour of the big interests, but I am not doing so, believing that we cannot control any interest that may exist in Canada.

Large combinations of capital are necessary if we are to succeed in competition with the United States. Let me cite just one incident with respect to combinations. I have lived a while on the land, and I remember in Pennsylvania that throughout that state there were independent oil wells everywhere. One oil man was cutting rates against another. We had a poor quality of oil; at times unsafe to burn in our lamps. Millions of dollars' worth of by-products went to waste. The Standard Oil Company came in, a company which has been greatly abused and which probably deserved it in later years. They came in and gradually consolidated these interests. Independent oil well owners, if they had ability, were given positions with the Standard Oil Company and made more money than they did when operating their own oil wells, and the public got a very much better grade of oil at a lower price. The Standard Oil Company made money. They employed an army of men. They never had a strike; they treated their men well. The whole state of Pennsylvania prospered because of that combine. Later the Standard Oil was knocked as a monopoly; in fact, it became a monopoly, but one that could be handled by the United States government. These are arguments, Sir, that ought to appeal to us.

With respect to the proposed subsidies in the amount of $13,000,000 to a small steamship line, I do not say that Sir William Petersen is not a good steamship man, nor do I say that he would not play the game with the government if the scheme had merit. But I do not think it has merit. Canadians in general view it in this way: they consider that this subsidy is being given for the benefit of a few. Canada to-day is struggling under the burden of an enormous and ever increasing debt; we are gasping in the stranglehold of an almost appalling railway situation; we are harassed to distraction by taxation. I assure you that the great public of Canada will never view with favour any subsidy that will only have the effect of benefiting a few of the people.

We do not admit that the grain trade will receive very much benefit from the operations of this line of steamers. We do feel almost sure that the cattle trade will. Suppose that they cut the rate on cattle to $10 a head, I contend, Sir, as many others do, who know much more about the cattle trade than I know, that it will be impossible to ship cattle on the hoof to Great Britain from Alberta and give the farmers of Alberta returns commensurate with what they should have when they can be fattened and shipped to England in the shape of chilled beef. It may take some time to work up a trade; we have tried it in a moderate sort of way. The Minister of Agriculture (Mr. Motherwell) informed us the other day that an experiment had been made in the shipment of chilled beef to England but that the experiment had not been large enough to demonstrate whether or not shipment on a large scale would be a success.

I have been struck very forcibly by another thing with respect to the cattle trade as bearing upon this agreement. Suppose Sir William Petersen carries cattle at $10 instead of $20, he can only carry a small proportion of the 60,000 head that already go across to England. Whose cattle will be carried at $10 a head, while all the rest pay $20? I do not see how the discrimination can be made. Who is to get the benefit of these rates? As I say, the proportion of the freight that could by carried by these ships, having regard to the enormous volume that goes through the city of Montreal, is only trifling.

Why not put our ten merchant marine boats on first and make an experiment with them, and let us know where we are at, and then if we found that they were going to succeed and would be something more than a pebble cast into the Atlantic ocean, which I believe is all they would or will be, we could go ahead and get other ships, and pay for them and own them ourselves. I do not know of any reason why we could not operate our own steamers just as well as Mr. Petersen can operate his ships. All this talk about Petersen having docks here and there throughout the world is nonsense. The majority of tramp steamers plying the waters of the seven seas have no trouble whatever in getting docks, and there is no reason at all why we could not operate our own steamers, provided we were assured they would have any effect on the control of ocean rates. But such an effect I do not believe they will have, and I think the time is inopportune for any such experiment. It is a foregone conclusion that the amendment will

be defeated and the resolution carried, and that this thing will go to a committee, and then I judge that some small isle will appear, and the government will disembark and we will hear no more of the Petersen contract.

Mr. SPEAKER: Is the House ready for the question?

Hon. H. H. STEVENS (Vancouver Centre): The House was pretty nearly ready for the question, Mr. Speaker, an hour ago. We are faced at this time with perhaps one of the most unfair actions on the part of the government, one of the most flagrant departures from the long recognized practice of this House, and that is: bringing to a vote, in this House, without notice, on a Friday night a major measure. I am quite aware, Mr. Speaker, and you with your long experience in parliament are no doubt equally well aware, that there is no rule of the House calling for this special consideration to be given to members; but there has been a practice stretching back as long as the memory of the oldest member of this House, and much longer, that no major question shall be brought to a vote on Friday night. And why? Not that it ever advantages me a particle; I happen to come, Mr. Speaker, from the extreme west, and am fated with some other members to attend here at all times. I have not the privilege of going to my home every week end, as have members from Ontario and Quebec. But there is perhaps a third or more of the members of this House who so arrange their affairs that they go home on Friday afternoon or Friday evening regularly. It is well known and understood what has been the practice. It is this: That on Fridays, government measures that are not of major importance shall be before the House, usually such matters as estimates and the like, or measures that are not looked upon as controversial. I venture this assertion, Sir, and I invite you to search your memory for the past twenty-five or thirty years that you have graced a position in this House, and see if you can recall—I certainly cannot—a single case where without notice, without previous arrangement, a major question has been brought to a vote on a Friday. There was absolutely no thought of this matter being brought to a vote to-night, and when our whip consulted with the government authorities after the session opened to-day he was coolly informed that a vote would be taken to-night.

Mr. LAPOINTE: Will my hon. friend permit me a question? Does he think that it is more unfair to compel a vote on Friday than to force members of parliament to vote under closures, as he and his friends have forced us to vote so many times.

Mr. STEVENS: Not so many times. I have no objection whatever to the government introducing closure on any measure on which they choose to introduce it. The closure is part of the rules of this House, and I bow to it. What I was pointing out, though was this. Once the government took that stand, what was our position? We had twelve further members who wanted to speak. We called every one of them off except one or two who spoke this afternoon and into this evening. We were prepared to stop, but the debate has been carried on, not by us at all, until the hour is past when hon. gentlemen could take their train.

Now we are faced with this situation. Here are some hon. gentlemen in this group, legal members, who had made arrangements to attend certain cases in the courts in Toronto. I am aware you can say: That is none of our business. It certainly is not, but the point is that following the long established practice of this House, following what has been understood from time immemorial, these hon. gentlemen made their arrangements and left, and the consequence is, and the government can I suppose gleefully chuckle to themselves over it, that if a vote is forced to-night this particular group will show a very depleted force, and that, of course, is a very, very delightful situation for the government.

Mr. VIEN: Does my hon. friend know that eighteen of his friends, out of fifty-one, have already secured pairs?

Mr. STEVENS: Certainly I am aware of that. But it makes it all the worse. What is the situation regarding the pairs? The pairs were given largely to hon. gentlemen from Quebec who left at 3.30, and that arrangement was made before we knew a vote was to be taken to-night. Had we been advised, as the common courtesy of parliament demands, of this vote to-night, there would have been no pairs, or very few of them, only in extreme cases, and we would have had our members here ready to take the vote. But as the matter now stands, they are not here. I consider, Mr. Speaker, it is one of the most unfortunate occurrences. Why do I say unfortunate? For this reason: Public life is fraught with difficulties enough, goodness knows. There are bound to be questions coming up which cause schisms and divisions among us in this House and in the country; there is enough bitterness engendered in our ordinary public life. But there is one thought I have cherished as perhaps the great saving feature of our public life, and that is

the splendid spirit of co-operation that has characterized the actions of all groups and parties in this House on almost all occasions where suitable arrangements could be made to discharge the business of the House without unduly interfering; and it has been one of the pleasures, Sir, as you also well know, to be able to contract a pair with hon. gentlemen in opposing factions. All this, however, has been violated; all of this has been swept aside. I am quite aware there are hon. gentlemen who welcome what they call, as one hon. gentleman said to-night, smashing the precedents of parliament, and violating these old time-worn customs, as I think he called them. But I want to say to this House that the precedents of parliament, the rules of parliament, and the practice of parliament have been proven from experience, spreading over the last three hundred years in the case of Great Britain, and the last seventy-five or one hundred years in Canada, to be the best method of carrying on public business. When my hon. friend from Nelson (Mr. Bird) a few moments ago sneered, as he does, on every occasion when he addresses this House, and not only sneered at the practice of parliament, but also impugned the honour of hon. members of this House, as he did to-night—

Some hon. MEMBERS: Order. Order.

Mr. STEVENS: Am I out of order, Mr. Speaker?

The ACTING SPEAKER (Mr. Logan): To impugn the honour of an hon. member is going a little bit too far.

Mr. STEVENS: I did not say that at all. I said that what the hon. gentleman did was this—

Mr. VIEN: I rise to a point of order. The question before the House is the Petersen agreement, and my point is that the hon. member is not discussing the question before the chair.

Mr. STEVENS: I will discuss the question before the chair quite soon enough for the hon. gentleman. It is a queer thing to me, Mr. Speaker, that my hon. friend to whom I am about to refer (Mr. Bird) could read long extracts from the Manchester Guardian for over half an hour about what Mr. Baldwin said in London on parliamentary practice, which had absolutely nothing to do with the question before the House, while my other hon. friend (Mr. Vien) could sit by smilingly. Why? Simply because, he said, he rather congratulated the Prime Minister on this measure and he was watching the clock in order to prevent closing of the debate before that hour. I close this portion of my remarks with this further reiteration of what I have already said. It is one of the most unfortunate occurrences, because it creates in parliament a schism which ought not to be there, we have enough difficulties without introducing these somewhat disagreeable matters.

Now, Mr. Speaker, my hon. friend (Mr. Vien)—and I notice that he has taken to himself a seat on the treasury bench—says that I am not addressing myself to what is before the House. I will address myself now directly to the question. What is before the House? My right hon. friend the Prime Minister spent three hours of his time the other night talking on what? The matter before the House? No, in discussing something that was going to be referred to or debated in a committee, provision for which was not before the House at all. I want to make this point perfectly clear. I think scarcely an hon. member has spoken on this subject who has not directed all his remarks to the appointment of a special committee. That matter is not before the House, and any discussion of it was out of order. Strictly speaking, Mr. Speaker, if my hon. friend (Mr. Vien) had been in the chair and had been ruling as he seeks to have you rule now, not one iota of that discussion would have been in order, because there is no such question before the House. And let hon. gentlemen ponder this. What is before the House is this resolution—which when the vote is taken does not go to a special committee—and I propose to analyze it. What we are asked to do is to disregard the question before the House. This is what my hon. friend from West Calgary (Mr. Shaw) discussed, this is what is being discussed by almost every hon. gentleman supporting the government's view. What is before the House is simply, "that Mr. Speaker do leave the chair." The resolution is not even the Petersen agreement; it is, "that Mr. Speaker do leave the chair." What for? That we go into committee to discuss the resolution authorizing the Petersen agreement. That is what is before the House and nothing more. What are we asked to do? We are asked to disregard that, simply because the Prime Minister—and he takes three different steps—abandons his first position, which was that the government would stand or fall on this motion whether it carried or whether it did not carry. Those were his words; that was his attitude the first day it was introduced.

Mr. MACKENZIE KING: Keep to this resolution.

Mr. STEVENS: So I will.

Mr. MACKENZIE KING: The government will stand or fall on this resolution.

Mr. STEVENS: Yes. My hon. friend from West Calgary based his position a moment ago on the last word of the Prime Minister. Now we have the Prime Minister's fourth utterance.

Mr. MACDONALD (Pictou): Order.

Sir HENRY DRAYTON: What is the trouble?

Mr. MACDONALD (Pictou): My hon. friend should address the chair.

Mr. STEVENS: My hon. friends opposite apparently desire not only to violate the practice of parliament, but also to disregard even its decencies. I was addressing the chair. There was not one utterance of mine that was not preceded by the proper parliamentary term, namely, the hon. member. I addressed my remarks in this way, and I now repeat them, that the hon. member for West Calgary a moment ago said that he would stand by the last utterance of the Prime Minister. That remark was based upon a query from another hon. gentleman that the Prime Minister had previously said something else. Thereupon the hon. member for West Calgary said "I am not taking his first utterance, I am taking his last." I invite him now to take the last utterance of the Prime Minister. What is that? That he will stand or fall by this agreement.

Mr. MACKENZIE KING: Just a moment. He did not say that at all.

Mr. STEVENS: By this resolution.

Mr. MACKENZIE KING: Stick to the word. What I said, and what I wanted to make perfectly clear, was that the government was taking the quickest procedure possible to get this proposed bill to a committee. If the government are prevented in that step, they certainly will stand by the action of the House in the matter.

Mr. STEVENS: What does the Prime Minister mean by "will stand by the action of the House"?

Mr. MACKENZIE KING: By the decision of the House. The government will take its course in accordance with the decision of this House. My hon. friend will find that this resolution will carry in this House. If it does not, he will very soon find that the resolution is taken elsewhere for consideration.

Mr. STEVENS: The proper parliamentary procedure is this. Primarily this is a government resolution dealing with money matters, and it is the peculiar prerogative of the government to deal with such matters. It is the primary practice of constitutional government that the administration submit any measure to parliament as its considered judgment, and by that considered judgment it stands or falls. That is responsible government. That is where we differ with some hon. members in this House, not because we are old-fashioned, not because we do not appreciate progress, but because we are convinced that responsible government is the best system under which a country can progress. I am quite aware that another practice might be adopted, that parliament should ipse dixit, be like a county council, and that measures might be introduced from any quarter, here, there or elsewhere, and no one take responsibility for them. But I ask hon. gentlemen to ponder what sort of chaotic condition would this country be in within a measurably short period of years if that course were followed? Again I repeat that the practice we are standing for, the practice we are insisting shall be followed in this parliament, is the practice that has been proven for hundreds of years to be the best. What is that practice? What are the rules of this House? In heaven's name, Mr. Speaker, let us amend the rules and do things in an orderly way if we are going to depart from the regular practice. What is the practice in dealing with this resolution and this amendment? If the government desire to send this contract to a committee later on, let them introduce a resolution accordingly. But why inject it into this debate? I would ask hon. gentlemen to use just simple common sense in the matter. Here is a signed and sealed contract. No one disputes that the contract cannot be changed or varied except with the consent of the two parties to it. Here is a resolution. It is before this House to put its stamp of approval upon it. Let me read it:

> That to give the government of Canada control over certain ocean rates, it is expedient—

What?

> —it is expedient to ratify and confirm the agreement between His Majesty and Sir William Petersen.

That is what we are considering in plain simple English. If this parliament says, "Yes, we ratify that agreement," I ask hon. gentlemen, Mr. Speaker, what position will we find ourselves in if two, three or four weeks from now we come back and say, "Why, we did not know what we were doing, we acted hastily without information; now we want to change this whole thing".

Mr. SPEAKMAN: Does the hon. member contend that in the vote about to be taken we are ratifying or refusing to ratify this agreement?

Mr. STEVENS: Absolutely—

Mr. SPEAKMAN: Might I ask one more question? Did the hon. gentleman not state that the question before the House at the present time was not the agreement itself but the resolution, that Mr. Speaker leave the chair?

Mr. STEVENS: If you will allow me to finish my answer—yes, absolutely we are ratifying this. But this is where British parliamentary practice and Canadian parliamentary practice are sound. What does it do? It provides for certain processes to be followed. What are they for? To safeguard the rights of the people or those who desire to criticize or object. What is the process in this case? The first thing is the introduction of the notice of motion. Then we come to the position we are in now, that Mr. Speaker do now leave the chair for the House to go into committee. The next thing is that the committee considers the resolution. The resolution is reported out of committee, then it is read a second time. Then there is a bill based upon that. Then leave is asked to introduce the bill. Then next it is read the first time. After that it is read the second time. That is what some hon. gentlemen call red tape, unnecessary parliamentary methods, something that should be largely done away with, and they say "let us take a short cut." The point is this: such processes are fixed in our rules and regulations for the purpose of protecting the public in just such cases as this. Ordinary bills, which on the face of them are non-controversial, we pass through these stages very rapidly, and the procedure is called useless red tape, but it is nothing of the kind. These formalities are prescribed in our rules for the purpose of protecting just such important measures as this. What I want to point out to the House is this: we might very well use the analogy of the budget. There is a process followed in that case, and it is virtually the same process as this. This resolution has the same effect as the budget. This is a vote of money. We are voting here at least fifteen million.

Mr. HOEY: At what stage in the procedure is the resolution ratified, or is not the whole procedure necessary before ratification?

Mr. STEVENS: Absolutely. The hon. gentleman is quite right. It has to go through the procedure I have mentioned, and finally come to a third reading. There are certain stages in the procedure of this House that through long parliamentary practice are recognized as very important stages. This is what I want to place before my hon. friends to my left, because I apprehend what is in their minds: they say they are not quite satisfied that this is a good measure. Some distinctly disagree with it. Some of them, and practically all, say they do not like the general idea, the trend of the legislation, but they say, "We are convinced that something should be done." We agree with them. I do not think anybody in the House disagrees with that statement, but what I want to put before my hon. friends is this: they rest their case for a complete departure from parliamentary rules of procedure on what? Upon the word of the Prime Minister interjected in the middle of a debate. I am not impugning the Prime Minister's word, nor am I challenging his sincerity. Let us take it at a hundred per cent for the sake of argument, but if the Prime Minister is absolutely sincere in this, before bringing this measure in a finished form before parliament for ratification, why did he not move for the appointment of a special committee? What is the resolution my right hon. friend will have to move? It will be a resolution something to this effect: that a special committee consisting of fifteen members, or whatever number he chooses to name, shall be appointed for the purpose of doing certain things. The order of reference will be the whole value of that committee. My hon. friends do not know what the order of reference is to be. They are voting blindly on this on the assumption that the order of reference is going to be of a character that will please and satisfy them. Suppose the Prime Minister says in his order of reference that he moves for a committee of fifteen members to be appointed for the purpose of considering this agreement and for the purpose of reporting to the House its finding. What better are you off in that case than you would be if you adopted such course right here?

The Prime Minister states that so far as this agreement is concerned he stands or falls by it. Let us take another supposition: suppose my right hon. friend goes the full limit of the expectation of my hon. friends to my left and moves a committee be appointed for the purpose of inquiring into the alleged effect of the combination on the north Atlantic in restraint of trade, and to ascertain if general rates are too high, and to report, and if there can be some measure of control, to secure it, and

report their findings to the House. Assume he goes that distance—and that or something similar to that is what they want—what was there to hinder him from moving that at any time in the last three weeks or a month? For the first few weeks after the opening of the House no committee sat at all. A committee might have been holding sittings during that period. In the Speech from the Throne he forecast this measure, and stated that the government had made up its mind on this question. He stated it had made up its mind on the 24th December, or before Mr. Preston put in his report. He, Mr. Preston, says in his letter contained in his report that the government's mind was made up as to what it would do, and is precisely what this resolution says: to organize a company for the purpose of competing with the North Atlantic Steamship Conference. This is not a new thing. The government knew about it when parliament met. If the Prime Minister is sincere, and if he was sincere, why did he not introduce such resolution and have this committee hold sittings before we are asked to ratify the agreement at all?

I ask my hon. friends, are we to take what the rules of the House declare is the interpretation of this proceeding; or are we to vote in a manner which virtually ratifies the agreement and then trust to the Prime Minister to bring in a resolution later on with the proper order of reference? I will give my hon. friends another procedure which could have been followed. When notice of the resolution was given and it was placed on the order paper, it was still open to the Prime Minister to appoint a committee, and it has been open to the Prime Minister ever since the debate started, to let the debate stand in abeyance, appoint a committee, and have the committee report before we were called upon to vote upon the resolution. I ask my hon. friends as sensible men, how do we vote on this? We vote in the light of the information we have. That is how I am called upon to vote. I am not called upon to take the evidence of the hon. member opposite and his interpretation of some circuitous process to get some further evidence that we know nothing about. I am not called upon to do that, and he has not the right to ask members of parliament on this side, or any other side of the House, to accept his word in this matter, and I should not be expected to conform to that procedure. I accept the plain English of this resolution.

I want to examine the resolution for a moment. I am not going into the agreement, or going to again go through the process, but I want to examine the procedure. We have two things before us and one of them is that Mr. Speaker do now leave the chair. I have under my hand an interpolation of the Prime Minister to the speech that was delivered a few minutes ago by the hon. member for West Calgary (Mr. Shaw). That hon. member had just stated that he accepted the word of the Prime Minister that this resolution would go to a committee ultimately and ample scope would be given to consider it and vary it in any way they chose. He said he accepted that. But the Prime Minister rose and interpolated this:

> Not only will we do that, but as soon as this resolution under consideration carries I intend to move, and before it goes into committee at all—

And I want hon. members to follow me—

> —before it goes into committee of the whole House, I am prepared to move the appointment of this special committee.

Let us examine his position. Surely the rules of the House and plain, simple English ought to govern. The resolution is that Mr. Speaker leave the chair. If the resolution is carried, ordinarily what position are we in? The position we are in is this, that Mr. Speaker is out of the chair and this House is in committee of the Whole on this resolution. It is not competent for the Prime Minister to interject such a resolution as the one he mentions now.

Mr. MACKENZIE KING: I beg my hon. friend's pardon. What I said was that when the House went into committee and the committee reported progress and asked leave to sit again, I would move an amendment that the committee do not sit again, but that the resolution be referred to a special committee, that being the quickest way to get the matter before a special committee.

Mr. STEVENS: This is another. The fifth position the Prime Minister takes.

Mr. MACKENZIE KING: That is the position I took.

Mr. STEVENS: Hitherto the position was that what would be done would be this, that the bill on its second reading would be referred to a special committee. That has been told us time and time again. What I am arguing and pleading for in this House is simply to let us stand by the rules of the House and the plain English of this measure. Let me illustrate my point. Eminent authorities on law have pointed out certain things in this agreement. What have we had in reply? We have had in reply this from the Prime Minister: I do not care what is in the agreement: I say so and so. Surely we are not going to

be called upon to accept a position of that kind. We are not children; we are not here to accept the ipse dixit of the Prime Minister; we are here to deal with measures in black and white and plain English. The Minister of Justice (Mr. Lapointe), the Acting Minister of Finance (Mr. Robb), and several other ministers of the crown, who have had long experience in parliamentary life, know that one of the most important things in legislation is to have measures carefully, properly and clearly drafted, and there is no sense or use in introducing to parliament a measure that does not convey the intention of the government, if it is a government measure. If the Prime Minister has any desire to change this, if, as he says, his private interpretation of this measure is what will control, then why does he not and why has he not embodied it in the resolution itself? Further than that, when this resolution passes this committee, it is not competent for private members to change the principle of the bill that is based upon the resolution. I know it is quite competent for parliament to reverse its own action. But for instance, this resolution, when it carries, authorizes the payment to Sir William Petersen of a certain sum of money as a subsidy, not as a charter, as the Minister of National Defence (Mr. Macdonald) would have us believe. It is not a charter or any distant relation of a charter; it is a subsidy pure and simple, and no private member of this House has any right to substitute anything else for it. There is one of two courses, one of two destinies for this bill and only those, in the minds of the government now, in the mind of the Prime Minister as he sits in this House—I am not quite sure which of the two he intends to take—one is a deliberate intention to kill this measure in committee and then to go to the country at large and say: We tried to do our best, but we were defeated in parliamentary committee on the matter. The other is to use his majority in the committee, which he will have over both oppositions, to force this thing through, then to come back to the House and say it was carried after careful investigation, and go before the country and say: This was given careful consideration by a parliamentary committee, approved by that committee, approved by a majority of the House and, therefore, we are justified in carrying it into effect. One of these two courses the Prime Minister has determined to pursue. It is all balderdash to my mind—the idea of giving to a committee an opportunity to study carefully this matter. Let hon. gentlemen take note of the voluminous reports on this subject. Do hon. gentlemen who have read those reports expect to get in that committee any better information than they can get from the reports of the Shipping Committee of 1909, or the Dominions Royal Commission, or the committee that sat in 1918 on shipbuilding, or the latest one, the Imperial Shipping Committee? Any one of those will give us not only British but Canadian testimony. There is any quantity of it and it has been conned over by hon. gentlemen in this House. There is nothing you can bring up in a committee that will help to solve the question any more than that.

Mr. CANNON: Am I to understand that my hon. friend contends that this government could spend any money simply because a resolution had been voted without a bill following the resolution in the regular course?

Mr. STEVENS: No, I have already outlined the procedure. My hon. friend probably did not hear me.

Mr. CANNON: I followed my hon. friend.

Mr. STEVENS: I carefully followed the proper parliamentary procedure. I will do it again so that there will be no mistake in regard to my position. I said, first, there was notice given of a resolution; second, the resolution was moved into committee of the Whole; third, the resolution was reported; fourth, it was read a second time and agreed to; fifth, leave to introduce a bill was asked for; sixth, the bill was read a first time; seventh, the bill was read a second time; eighth, it was sent to a committee, and lastly, it came back to the House and was read a third time. That is the procedure.

Let me refer to the amendment. You cannot brush aside this resolution by any simple gesture, saying: Let us slip it out of the way and we shall have it up in the committee in some fashion or another. There is the resolution for our consideration. It is one of the most important documents that has been introduced in this House during this session. It involves the expenditure of a large sum of money. It makes possible the expenditure of an unlimited sum, as I want hon. gentlemen to realize as well. In addition to that, it deals with a very serious principle, that of subsidizing ocean steamships in competition with others in connection with the freight handling business. We do not agree with that. We have been charged that we have offered no constructive criticism. This is what we suggest, and I invite hon. gentlemen to give some thought to this. We say that

we do not agree with this Petersen contract at all. We want to reject it absolutely and we say that, instead of Mr. Speaker leaving the chair and the House going into committee on this question, this be done:

That Mr. Speaker do not now leave the chair but that it be resolved: That effective control of ocean rates can be exercised only with the co-operation of all portions of the empire, and by a body on which all are represented, and the contract made by the government with Sir William Petersen, based on the report of W. T. R. Preston, is ill-advised, costly and futile and unworthy of the serious consideration of this House.

This is what we offer to the House. There is not in this amendment a word that is inconsistent with the report, the advice and the recommendation of the Agriculture committee of 1923, upon which the Prime Minister now says he bases his measure. I am not going to read the report again as it has been read several times. What did it recommend? First, it cited and reviewed a great deal of the testimony and said that it was a tremendously important question; that it was a question that required the utmost care and consideration. It suggested a reference to the International Institute of Agriculture at Rome. Then it recommended that we should co-operate with other parts of the empire in bringing about some stabilization and control of freight rates. We suggest that there should be co-operation with all portions of the empire.

My right hon. leader yesterday showed with such clarity that all must have seen the point and accepted it as beyond contravention, that the government could not possibly control rates between Canada and any other country. We could not control rates between Canada and the United States nor between Canada and Great Britain. We could control them by owning the ships and carrying freight at a loss, but we could exercise no control nor could we direct the transportation of freight between this country and another. And that is what the amendment says; it declares that in order to secure that control there must be co-operation with other parts of the empire. My right hon. friend, the Prime Minister, in his speech, in a somewhat light vein I admit, said that the time may come when an international board may be set up. Well, I know of no better way of starting than by setting up an inter-imperial board which would comprehend half of the liner steamship tonnage of the world, thus taking a long step towards the goal which the Prime Minister has in view at some distant date in the future. We say that there should be co-operation. in which all parts of the empire should be represented; and further we say that this contract entered into by the government with Sir William Petersen is ill-advised, costly and futile. I invite hon. gentlemen to examine these last few words. I have not heard any hon. gentlemen in this House, with the exception possibly of the minister himself (Mr. Low) and the Prime Minister (Mr. Mackenzie King), say anything else than that the agreement was ill-advised and that they questioned the wisdom of proceeding with it. I have not heard one single gentleman say anything to the contrary, nor have I read in any leading journal in this country, with the exception of the Manitoba Free Press, any editorial which openly commended the contract. Take my hon. friend from St. Lawrence-St. George (Mr. Marler); he knows perfectly well that the contract is undoubtedly ill-advised and he knows it is costly and futile. Nor would he under any circumstances stand in this House and say he approved of it. Yet the hon. gentleman will vote for it; he will vote in support of it. The hon. member knows perfectly well that the whole thing is absolutely futile; he knows that it is in direct contravention of the very policy about which he has been speaking so learnedly in the last few months. There is not a single thing in this contract, not a principle of it, not one of its terms, which is consonant with his attitude during recent months. Yet he will vote for it.

Mr. MARLER: I did not say I would vote for the contract; I said I
12 m. would vote in support of a motion to investigate the facts as set out in the contract, using the contract as a basis for discussion.

Mr. STEVENS: My hon. friend represents probably the greatest city in Canada and if he and others on his side, together with some hon. gentlemen to my left, had simply taken a clear stand on the question they could have had their investigation, because the Prime Minister would not dare for a moment under the circumstances to press the matter to a vote. I could name a dozen hon. gentlemen opposite who dare not stand in this House this evening and support the government in this measure except by a subterfuge which will enable them to escape the consequences of their action. If they thought that the resolution would come out of the committee confirmed they would not risk their position in this House by supporting it; they would not dare face their constituents after voting for the measure. There are I say a dozen gentlemen opposite who would not support it if they thought that anything of the

kind would ensue. Hon. gentlemen to my left have taken a more honourable and moderate stand, but a large number of them, if they were certain that the matter would come out of the committee confirmed and that the agreement would go into operation, would not support the motion now. I plead with the House to take the plain simple English of the resolution before them and to say whether they are for or against the contract. That is the position. We say in our amendment that the agreement is ill-advised, that it is costly, and that it is unworthy of serious consideration. Let me refer to the costliness of it.

Mr. GOOD: Before the hon. member leaves that point, would he be satisfied if the debate were adjourned now and a committee appointed to look into the matter and report later?

Mr. STEVENS: Certainly; let the Prime Minister adjourn the debate and suspend this thing. If the Prime Minister is sincere that is what he will do. My hon. friend has put his finger on the spot. What object is there in forcing the matter to a vote and placing us in the compromising position of supporting or rejecting it—supporting it when hon. gentlemen desire to reject it? What is the object in doing that? I venture the suggestion right now that if the experts on our rules were to look carefully into this matter it is doubtful whether the Prime Minister's motion would be considered in order at all. It would be but sound parliamentary procedure for the Prime Minister to move the adjournment of the debate, or have one of his supporters move it, and then appoint a committee. That is sound parliamentary procedure and certainly it is the plain common sense of the situation, if he wants to play the game square with hon. gentlemen to my left whom he wants to support the measure. I am not suggesting to hon. gentlemen to my left that they should line up with us and vote against the government to put them out of office. Not at all; I should prefer the government to stay in office a little while longer, for they are killing themselves faster than we could kill them. I do not want to defeat the government now. But if half a dozen honourable gentlemen would politely tell the Prime Minister that the ordinary parliamentary procedure should be followed, if they would challenge his sincerity by asking him to have the debate adjourned and to appoint a committee to investigate the matter, they could secure the object they have in view. But my hon. friends are not particularly anxious to investigate the Petersen contract; what they want to do is to investigate the broad question of ocean freight rates.

Mr. MACKENZIE KING: Oh, Lord.

Mr. STEVENS: My right hon. friend says "Oh, good Lord."

Mr. MACKENZIE KING: No he didn't; he left out the "good."

Mr. STEVENS: That is fine parliamentary language for the Prime Minister to use. The right hon. gentleman says that I am wrong, but I thought that I was interpreting him generously. The Prime Minister inferred that we should have an opportunity of investigating ocean freight rates; that is how I view the matter. He says "Oh Lord" to that; whatever that interpolation means I do not know. However, let him now tell the House what his order of reference is to be; let him tell the House, before he asks us to vote, what is going to the committee. Let the Prime Minister in some definite form, in the form of a resolution to which we can hold him and his government, tell us where we are drifting in connection with this subject. He has probably sixty or eighty members behind him who have not yet spoken. Let some hon. gentlemen from Montreal and Quebec tell us; let the Minister of Justice (Mr. Lapointe), who has not yet spoken, rise in his place and inform the House how the matter will be referred. Will the Minister of Justice move the adjournment of the debate?

Mr. LAPOINTE: Has the hon. member concluded his speech?

Mr. STEVENS: Let the Minister of Justice adjourn the debate and then let the Prime Minister move his resolution for a committee of the House to go into the matter.

What I want to say in conclusion is simply this: we have before us a resolution that Mr. Speaker do now leave the chair in order that the House may consider a contract that the governement has agreed to and signed, a contract which is subject only to final ratification; and that ratification the government now seeks to obtain. The other motion before the House is that instead of doing that, the matter be taken up in conjunction with other sections of the empire and a definite method of control of ocean freight rates worked out by that process, consonant with and in harmony with the report of the agricultural committee of two years ago, upon which report the Prime Minister declared the other day he based this present proposal.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I cannot resist the urgent appeal of the hon. member for Vancouver Centre (Mr. Stevens). He will forgive me, however, if I do not take his display of passion too seriously. I wish merely to say a word on the question of procedure. Seven full days have been devoted to the consideration of this resolution. It was introduced on the third of March—I merely give these dates in order to show that the charge of unfairness proffered so violently by my hon. friend is not well founded—and was considered on that date. It was further considered on Tuesday the tenth of March, on Thursday the twelfth of March, on Friday the thirteenth of March, on Tuesday the seventeenth of March, on Thursday the nineteenth of March, and to-day, the twentieth of March. All this was on the motion which merely asks that Mr. Speaker leave the chair, as my hon. friend has stated, for the purpose of considering this resolution. My hon. friend speaks very eloquently of the procedure of parliament. He knows very well that a bill concerning trade or involving an expenditure of money has to be preceded by a resolution.

Mr. STEVENS: And I approve of it, wholly.

Mr. LAPOINTE: My hon. friend approves of it. It is merely to give the House an opportunity to provide another stage for discussion on the part of the House. But that discussion has always been, and should be, merely on the general lines of the measure submitted. Here is what Bourinot says concerning this matter:

> The rule, as generally understood in the Canadian House—and English practice bears it out—simply requires the House to go into committee to consider a general proposition, setting forth the expediency of bringing in a measure on a particular question affecting trade.

Now, my hon. friend says we all agree—

Mr. MEIGHEN: Will the hon. gentleman permit me? The motion is that the Speaker leave the chair for the House to resolve itself into committee on a certain resolution. Does he say that the policy embodied in that resolution is not submitted to the House for determination?

Mr. LAPOINTE: In a general way—the broad principle of it, not the principle of the bill which is going to follow it; not the details; not the particulars as they have been discussed during this debate.

Mr. MEIGHEN: Not the principle of the bill which is to follow it?

Mr. LAPOINTE: In a general way.

Mr. MEIGHEN: Certainly.

Mr. LAPOINTE: If my hon. friend is serious when he says, as he said a few minutes ago, that we are in agreement on some things: first, that there is a combine, and secondly, that there should be a measure of control of ocean rates; if we are all in agreement on that, I submit that this resolution should have been voted on long ago.

Mr. MEIGHEN: Will the minister please define in his own words what he considers the general principle of this resolution?

Mr. LAPOINTE: Control of ocean rates.

Mr. MEIGHEN: By what means?

Mr. LAPOINTE: The details of the—

Mr. MEIGHEN: By any method at all?

Some hon. MEMBERS: Order.

Mr. MEIGHEN: Does the minister mean by that, controlled by any method at all?

Some hon. MEMBERS: Order.

Mr. MEIGHEN: I do not want any bear garden; I want some thoughtful discussion. Does the minister mean that the only principle here at stake when we approve of this motion is control of ocean rates by any method at all? Will he answer that?

Mr. LAPOINTE: Surely the particular method proposed by the government is entitled to some discussion. But as a bill will be presented following the adoption of the resolution, and as that bill will have to be read a second time and the whole principle of the thing discussed again by the House, I claim that the discussion of the details and the clauses of the agreement that has taken place during this debate was not called for.

Mr. MEIGHEN: Will the minister permit me again? Will he say that the particular method proposed by the government for the control of rates is not now under review and for determination?

Mr. LAPOINTE: My right hon. friend knows full well—

Mr. MEIGHEN: Will he answer that?

Mr. LAPOINTE: —that the method itself, the particulars of the agreement, will be discussed later. That is never done on the resolution preceding the bill. My hon. friend speaks of precedents. Well, I have been in the House just as long as he has, I think a little longer. I have been in this House longer than my right hon. friend

the leader of the opposition, and very seldom indeed—I do not remember more than one or two occasions—has any amendment been moved to a resolution preceding a bill, as has been done here.

Mr. MEIGHEN: Will the hon. gentleman permit me? He is a lot nearer the point than any other minister that has spoken. When the motion is made that the Speaker leave the chair for the House to resolve itself into a committee of Ways and Means on the budget resolution, is not the budget as presented at stake, and has not this House voted on that motion, and have not hon. members to my left voted against it? Further, have amendments not been moved to that motion?

Mr. LAPOINTE: My right hon. friend knows very well that the resolution preceding a bill concerning trade or involving an expenditure of money is not at all in the same class as a resolution on the occasion of the budget debate, to which he referred.

Mr. MEIGHEN: Oh yes.

Mr. LAPOINTE: By no means.

Mr. MEIGHEN: What is the budget debate but exactly that thing—a debate on a resolution preceding the budget bill? It is precisely the same thing.

Mr. LAPOINTE: I crave the indulgence of the House, because I did not want to take up as much time as I have taken. I wanted to be brief, but my right hon. friend is responsible for the prolongation of my remarks.

Mr. MEIGHEN: I accept that.

Mr. LAPOINTE: I say that we are not open to any charge of unfairness in this regard. So far as voting on Friday is concerned, my hon. friend is still wrong. Apart from having no rules in any book that I know of concerning the prohibition against voting on Friday, if the word prohibition may be used by me—

Mr. STEVENS: Which I admitted, and stated.

Mr. LAPOINTE: I say again to my hon. friend that I have been in this House as long as he has and I voted on Friday on many occasions.

Mr. STEVENS: Will the minister permit me?

Mr. LAPOINTE: I will tell him further—

Mr. STEVENS: My point was—and I know the minister does not desire to misrepresent me—that it has always been the practice to make an arrangement if a major matter was to be under discussion.

Mr. LAPOINTE: Surely my hon. friend is not serious when he speaks of arrangements being made in every case.

Mr. STEVENS: Yes, I am.

Mr. LAPOINTE: When we have been forced to vote under compulsion, does the leader of the opposition claim that he selected his days? Does he say that Fridays were excluded?

Mr. MEIGHEN: Yes, and under the rules it cannot be done on Friday.

Mr. LAPOINTE: It has been done every day on questions at least as important as this one, on questions which were identical with this one.

Mr. BOYS: Will—

Mr. LAPOINTE: Will my hon. friend allow me to proceed? Really, I do not interrupt hon. gentlemen all the time when they are making speeches, but if my hon. friend insists—

Mr. BOYS: I was just going to ask the minister if he would say when the government determined to force a vote to-day?

Mr. LAPOINTE: I do not know. There has been no determination of forcing a vote. We have been discussing this matter seven days, and I think the vote should have been taken at the beginning of the week. We are not responsible for that. If we have to vote to-night, it is because my hon. friend's friends have been discussing this contract all week; we are not responsible for that. I say that in the very session that preceded the last general election, when my right hon. friend the leader of the opposition was Prime Minister, we were forced under closure to vote I think eight millions of dollars for the Canadian merchant marine, after only one night of discussion. And now these hon. gentlemen are protesting because, after having discussed this resolution for seven days, a resolution preceding a bill, which will be introduced and which they will still have full opportunity to discuss, which bill will be referred to a committee and be reported back to the House—with all this opportunity for discussion, they claim they are being treated unfairly. Well, Mr. Speaker, we have had the administration of the affairs of this country under my right hon. leader and he has been leading parliament now for his fourth session, and the present government has never yet applied closure to the business of parliament. This charge

of unfairness I throw back at my hon. friends over there.

Mr. W. A. BOYS (South Simcoe): I had not the slightest thought of occupying the House at this time of night in connection with this debate, but I feel I cannot allow the remarks of my hon. friend the Minister of Justice (Mr. Lapointe) to pass without making some observations.

It has been my pleasure and my privilege to act as whip of this party now for nearly four years. I am glad to say we have managed to get on without any misunderstanding, with an exchange of courtesy and fair play in our proceedings during all that time, and I would like to pay the whip of the government party the compliment of saying that I am of the opinion that if he had not been laid up at his house with sickness, we would not have had the situation we have to-night. I asked the minister if he would say when the government determined to force a vote. He said he did not know the government did determine to force a vote.

Mr. LAPOINTE: I know the government wanted a vote to be reached at the beginning of the week.

Mr. BOYS: That is a different thing. I concede at once the right of the government to force a vote whenever they want to. But I do think that the custom of years and the courtesy of years should play some part in that determination. I want to say that when I discussed this morning in no exceptional way, but in the ordinary way, the matter of those who had yet to speak, not to obstruct, but to make speeches, there was no suggestion on the part of the government whips that there would be a vote to-day. Not until I got into the House at three o'clock was there ever such a suggestion, and I feel it my duty in order that those at all events in my own group may see that the trouble we have got to-day is one that cannot be laid at my door, to make the situation clear. I think I have always tried to be fair in conducting the business of this House so far as this party is concerned, and I believe the whips with whom I have worked will do me the justice of saying so. But it has certainly been forced upon me that we have now reached the stage where one of two things must happen: We must either continue to be frank and fair with each other, and maintain the customs of the past, or else come to the conclusion that they are to be at an end.

Now I got this note after three o'clock. This was after a preliminary talk when there was no suggestion that there was to be a vote to-day. It has been known for two weeks that we had eight or ten more speakers, and I suggest it would be hardly fair to ask them to speak at two or three o'clock in the morning. As a matter of fact, most of the government members from Quebec want to go home at 3.30 on Friday afternoon, and frankly I may say that most of our members from Ontario want to go away at eleven o'clock on Friday night. I naturally wished to avoid this vote to-night, and I suggested that it could go over till Tuesday, that the budget could be introduced on Tuesday, and then could be left over a day or two for consideration, and that we could then go on with this, and I promised that so far as we were concerned there would be a vote on this resolution on Tuesday night.

I got this letter from one of the government assistant whips. He did not say to me: There will be a vote to-night. He said, "We will try to vote to-day." I thought that was a little strange, and I wrote back and said, "Does this mean you intend to force a vote? If it does, I do not think it is fair, for I have had no notice, and I have not notified my members. Nobody expected a vote." The answer came back, and I give him credit for being frank with me, "Yes that is the intention." I have not the slightest doubt the government made up their minds yesterday to force a vote on this resolution to-night. I notice in the House to-night members who have not been here for quite a long time, who have come from a long distance, upon word from somebody upon the government side to be here on hand to vote.

I want to say most emphatically that if we are to be fair and frank with each other the least courtesy that could have been shown to me was to tell me this morning, at all events, when I was negotiating for the proceedings of to-day, that there was to be a vote to-night, so that I could notify the members. But that was kept back. Now I appeal to the Prime Minister. I do not think that I suffer from a chronic grouch, but I admit that I am disappointed. To me this is one of the most unfortunate days since I have been in the House of Commons. I do not think it a creditable performance. I do not know who is absolutely responsible for it, but I do not believe the whips are. I think if we are going to use the whips at all in the House, then surely we must be fair with each other. If I had been asked to agree to a day and had refused, or had been unreasonable, it would have been quite in order to say: We will force a vote. But I have never been asked to do it. I see the Acting Minister of Finance (Mr. Robb) in

his place. He once occupied the position I occupy, the whip of the opposition, and I wonder what he would have thought if he had been treated that way.

I have said enough, I think, to show that this proceeding is not fair. It comes to this: If we cannot be fair with each other, the only way to get business done will be to do business at arm's length, and to cancel all pairs. That is not my desire. I would be very sorry to see that done. I appeal to the Prime Minister: I do not think we have been treated fairly on this occasion, and I trust that if we do come to some understanding for the future, that a repetition of this incident will not take place. If it does, then so far as I am concerned I would no longer want to be whip of the Conservative party, for I would be unable to do business with the whip on the other side under those conditions.

Mr. MACKENZIE KING: My hon. friend has made a reference to me. Probably he will permit me to remind him and the House that some ten days ago I mentioned that the governnment was ready on that Thursday to bring down the budget, and that we were anxious to have the budget debate over before Easter. Again this week I mentioned that the budget would be brought down this week. I made it perfectly plain that if we did not get it down this week, we would bring it down on Tuesday next, and at the very outset I intimated that when the budget was brought down it would take precedence over everything else, and that we hoped to conclude the budget debate by Easter.

Now this resolution has been before the House eight or ten days. It has been understood all along that we wished to get the bill to a committee before the budget debate came on. My hon. friend knows that Monday is private members' day, and that if we did not take the course of getting this vote to-night the chance of getting this bill to a committee might remain over until after the recess. I do not think anyone would wish that. To-day I was told that no undertaking could be given by my hon. friend that this bill would get to a committee even on Thursday, if Thursday were set apart for further debate. When that intimation was given to me I made it perfectly clear that we would have to take the vote to-night.

Mr. BOYS: I simply wish to add this. As a rule—and my right hon. friend knows it perfectly well— we have an understanding, or try to have at all events, as to the day on which the vote will take place. That practice has obtained for years and meets the mutual convenience of all members of the House. That practice was absolutely abandoned in this case, and that is why we find ourselves in this position.

The House divided on the amendment (Mr. Clark) which was negatived on the following division.

YEAS

Messrs:

Black (Halifax),	McQuarrie,
Bowen,	Manion,
Charters,	Maybee,
Clark,	Meighen,
Dickie,	Preston,
Doucet,	Simpson,
Grimmer,	Spence,
Hanson,	Stansell,
Harris.	Stevens,
Hawken,	Stirling,
Irvine,	Sutherland,
Jones,	Thompson,
Ladner,	Tolmie,
LeSueur,	White,
MacLaren,	Woodsworth.—31.
McKillop,	

NAYS

Messrs:

Bancroft,	Garland (Bow River),
Beaubien,	Good,
Béland,	Gordon,
Benoit,	Gould,
Binette,	Graham,
Bird,	Hammell,
Black (Huron),	Hanna,
Boivin,	Hatfield,
Bouchard,	Hoey,
Boucher,	Hopkins,
Brethen,	Hudson,
Brown,	Hughes,
Cahill.	Humphrey,
Campbell,	Hunt,
Cannon,	Hushion,
Cardin,	Jelliff,
Carmichael,	Johnston,
Carroll,	Kelly,
Carruthers,	Kennedy (Edmonton),
Casgrain,	Kennedy (Port Arthur
Chevrier,	& Kenora),
Chisholm,	King (Huron),
Clifford,	King (Kootenay),
Copp,	King, Mackenzie (York),
Davies,	Knox,
Déchène,	Laflamme,
Denis (Joliette),	Lanctôt,
Denis (St. Denis),	Lapierre,
Desaulniers,	Lapointe,
Descoteaux,	Lewis,
Deslauriers,	Logan,
Drummond,	Lovett,
Elliott (Dundas),	Lovie,
Ethier,	Low,
Evans,	Lucas,
Fafard,	Macdonald (Pictou),
Findlay,	Mackinnon,
Finn,	MacLean (Prince, P.E.I),
Fiset (Sir Eugene),	Macphail (Miss),
Fontaine,	McBride,
Forke,	McGiverin,
Forrester,	McIsaac,
Fortier,	McKay,
Fournier,	McMaster,
Gardiner,	McTaggart,

Marcile (Bagot),
Marler,
Martell,
Mercier,
Michaud,
Millar,
Milne,
Morin,
Motherwell,
Munro,
Murdock,
Neill,
Ouimet,
Papineau,
Parent,
Pelletier,
Pouliot,
Prevost,
Pritchard,
Rankin,
Raymond,
Reed,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robichaud,
Robinson,
Robitaille,
Ross (Simcoe),
St. Père,
Sales,
Savard,
Séguin,
Sexsmith,
Shaw,
Sinclair (Oxford),
Sinclair (Queens, P.E.I.),
Snowball,
Speakman,
Spencer,
Steedsman,
Stewart (Argenteuil),
Stewart (Humboldt),
Stork,
Tobin,
Wallace,
Walsh,
Warner,
Woods.—139.

PAIRS

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

PETERSEN CONTRACT

PERMANENT

Messrs:

Power, Mewburn,
Kyte, Boys,
Kay, Wilson,
Malcolm, Duncan,
German, Chaplin,
Marcil (Bon.), Stewart (Ham.),
Lavigueur, Sheard,
Archambault, Guthrie,
Bureau, Drayton,
Bourassa, Bristol,
Gouin, Stewart (Leeds),
Derochers, Baxter,
Gendron, Garland (Carleton),
Gervais, Black (Yukon),
Euler, Hubbs,
Baldwin, Ryckman,

TEMPORARY

Putnam, Ross (Kingston),
Vien, Anderson,
Delisle, Maclean (York),
Healy, Church,
Crerar, McCrea,
Hodgins, Kellner,
McConica, Arthurs.

Mr. VIEN: I was paired with the hon. member for Halton (Mr. Anderson). Had I voted I would have voted against the amendment.

Sir HENRY DRAYTON: I was paired with the hon. Minister of Customs and Excise (Mr. Bureau). Had I voted I would have voted for the amendment.

Mr. MALCOLM: I was paired with the hon. member for North Grey (Mr. Duncan). Had I voted I would have voted against the amendment.

The House divided on the main motion (Mr. Low) which was agreed to on the following division:

YEAS

Messrs:

Bancroft, Lapierre,
Beaubien, Lapointe,
Béland, Lewis,
Benoit, Logan,
Binette Lovett,
Bird, Lovie,
Black (Huron), Low,
Boivin, Lucas,
Bouchard, Macdonald (Pictou),
Boucher, Mackinnon,
Brethen, MacLean (Prince, P.E.I.),
Brown, McGiverin,
Cahill, McIsaac,
Cannon, McKay,
Cardin, McMaster,
Carmichael, McTaggart,
Carroll, Marcile (Bagot),
Carruthers, Marler,
Casgrain, Martell,
Chevrier, Mercier,
Chisholm, Michaud,
Clifford, Millar,
Copp, Milne,
Davies, Morin,
Déchène, Motherwell,
Denis (Joliette), Munro,
Denis (St. Denis), Murdock,
Desaulniers, Neill,
Descoteaux, Ouimet,
Deslauriers, Papineau,
Drummond, Parent,
Ethier, Pelletier,
Fafard, Pouliot,
Findlay, Prevost,
Finn, Pritchard,
Fiset (Sir Eugène), Rankin,
Fontaine, Raymond,
Forke, Reed,
Forrester, Rhéaume,
Fortier, Rinfret,
Fournier, Robb,
Garland (Bow River), Roberge,
Good, Robichaud,
Gordon, Robinson,
Gould, Robitaille,
Graham, Ross (Simcoe),
Hammell, St. Père,
Hanna, Sales,
Hatfield, Savard,
Hoey, Séguin,
Hopkins, Sexsmith,
Hudson, Shaw,
Hughes, Sinclair (Oxford),
Humphrey, Sinclair (Queens, P.E.I.),
Hunt, Snowball,
Hushion, Speakman,
Jelliff, Spencer,
Johnston, Steedsman,
Kelly, Stewart (Argenteuil),
Denis (St. Denis), Stewart (Humboldt),
Kennedy (Port Arthur & Kenora), Stork,
King (Huron), Tobin,
King (Kootenay), Wallace,
King, Mackenzie (York), Walsh,
Knox, Ward,
Laflamme, Warner,
Lanctôt, Woods.—133.

NAYS

Messrs:

Black (Halifax),	MacLaren,
Bowen,	Macphail (Miss),
Campbell,	McBride,
Charters,	McKillop,
Clark,	McQuarrie,
Coote,	Manion,
Doucet,	Maybee,
Elliott (Dundas),	Meighen,
Evans,	Preston,
Gardiner,	Simpson,
Grimmer,	Spence,
Hanson,	Stansell,
Harris,	Stevens,
Hocken,	Stirling,
Irvine,	Sutherland,
Jones,	Thompson,
Kennedy (Edmonton),	Tolmie,
Ladner,	White,
LeSueur,	Woodsworth.—38.

PAIRS

(The list of pairs is furnished by the chief whips)

PETERSEN CONTRACT

PERMANENT

Messrs:

Power,	Mewburn,
Kyte,	Boys,
Kay,	Wilson,
Malcolm,	Duncan,
German,	Chaplin,
Marcil (Bonaventure),	Stewart (Hamilton),
Lavigueur,	Sheard,
Archambault,	Guthrie,
Bureau,	Drayton,
Bourassa,	Bristol,
Gouin,	Stewart (Leeds),
Derochers,	Baxter,
Gendron,	Garland (Carleton),
Gervais,	Black (Yukon),
Euler,	Hubbs,
Baldwin.	Ryckman.

TEMPORARY

Messrs:

Putnam,	Ross (Kingston),
Vien,	Anderson,
Delisle,	Maclean (York),
Healy,	Church,
Crerar,	McCrea,
Hodgins,	Kellner,
McConica,	Arthurs.

Mr. VIEN: I was paired with the hon. member for Halton (Mr. Anderson). Had I voted I would have voted for the motion.

Mr. BOYS: I was paired with the hon. member for Cape Breton South and Richmond (Mr. Kyte). Had I voted I would have voted against the motion.

Mr. MALCOLM: I was paired with the hon. member for North Grey (Mr. Duncan). Had I voted I would have voted for the motion.

Sir HENRY DRAYTON: I was paired with the hon. Minister of Customs and Excise (Mr. Bureau). Had I voted I would have voted against the motion.

[Mr. Malcolm.]

Mr. McCONICA: I was paired with the hon. member for Parry Sound (Mr. Arthurs). Had I voted I would have voted for the motion.

The House thereupon went into committee on the resolution, Mr. Gordon in the chair.

Mr. MACKENZIE KING: As I intimated in the course of the discussion, that as soon as the resolution was referred to the committee of the Whole, it was my intention to move that the committee should report progress and ask leave to sit again in order that I might at once have the resolution referred to a special committee, I beg to move that the committee rise, report progress and ask leave to sit again.

Progress reported.

Mr. SPEAKER: When shall the committee sit again?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I move that the committee do not sit again, but that the resolution be referred to a special committee.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I submit that the motion is not in order. In the first place, it is not a substantive motion and, notice not having been given, if for no other reason, it would be out of order on that account. That is the point of order I raise first.

Hon. ERNEST LAPOINTE (Minister of Justice): I would refer you, Mr. Speaker, to Bourinot, page 527 which reads:

> In case a committee of the Whole has reported progress a motion may be made immediately before fixing the committee for a future day, that the bill be referred to a select standing or other committee.

Mr. MEIGHEN: A motion is frequently made immediately, but notice must be given of the motion. Any motion may be in order, but it is subject to the usual rules of debate.

Mr. SPEAKER: I was aware of that dictum of Bourinot which reads:

> In case a committee of the Whole has reported progress a motion may be made immediately before fixing the committee for a future day, that the bill be referred to a select standing or other committee.

Now it is stated that notice should have been given. I find in the Journals of the House, on May 7, 1901, the following:

> The order of the day being read, for resuming the adjourned debate on the question which was, on Friday last proposed, that Mr. Speaker do now leave the chair (for the House in committee on the bill to incorporate the Canadian Nurses' Association);
>
> And the question being again proposed—The House resumed the said adjourned debate.
>
> And the question being put on the motion—It was resolved in the affirmative.

The House accordingly resolved itself into a committee on the said bill, and, after some time spent therein, Mr. Speaker resumed the chair; and Mr. Macdonald reported, that the committee had made some progress.

On motion of Mr. Clarke, seconded by Mr. Bell (Pictou).

Ordered, That the bill to incorporate the Canadian Nurses' Association be referred back to the select standing committee on Miscellaneous Private Bills, for further consideration.

No notice was given in that instance, and it is my firm opinion that rule 40 does not apply in the present case, inasmuch as it is a consequential procedure as regards the main question before the House; and if at each stage of the proceedings notice were required the session would be protracted indefinitely. My ruling therefore is that no notice is necessary in the present instance.

Mr. MEIGHEN: I would call your attention, Mr. Speaker, to this, in regard to the case mentioned, that in the first place the point as to notice was never raised; and in the second place it was the case of a bill. It is not the custom of this government to give any notice that can prepare one; they prefer the other method. I would point out, however, that no precedent can be found for a reference to a special committee—

Mr. CANNON: Am I to understand, Mr. Speaker, that your ruling is being debated?

Mr. MEIGHEN: —of a resolution—

Some hon. MEMBERS: Order.

Mr. MEIGHEN: I am rising at the moment to another point of order. I say that there is no precedent for the reference of a resolution to a special committee.

Mr. SPEAKER: I did not quite catch the point submitted by the right hon. member.

Mr. MEIGHEN: In the first place, I raise the point that in the case cited there were these distinctions: it was the case of a bill, and as well the point of order was not raised as to the request for notice. In the second place, my point of order is that this resolution has a certain set purpose, a certain set course, and the rules and practices of the House provide that course through many decades: it goes to committee of the Whole. And I have never heard of a resolution which has that purpose and which follows that course, being moved to a special committee. I submit further that such a resolution is not capable of being moved to a special committee.

Mr. SPEAKER: As regards the distinction between a resolution and a bill, in my judgment a bill is the legal child of a resolution. A money or a trade bill is always based on a resolution. As to the other point, I have not the case at hand; but certainly it is within my recollection that on several occasions resolutions have been referred to special committees.

Mr. MEIGHEN: That is not my point, Mr. Speaker. I do not say that no resolution can be referred to a special committee; what I say is that such a procedure cannot be followed in the case of a resolution of this character, which, under the rules, has a set purpose. A resolution moved by a private member often is referred to a special committee, but this resolution is for a different purpose; it must follow a certain procedure, and the practices of the House have never warranted any other.

Mr. SPEAKER: In my judgment the opinion of Bourinot is peremptory on this matter. Bourinot states that in case a committee of the Whole has reported progress, a motion may be made, immediately before fixing the committee for a future day, that the bill—or in my judgment a resolution—be referred to a select standing or other committee. I must stand by the first ruling I gave.

Mr. MEIGHEN: Before the motion is put, Mr. Speaker,—

Mr. MACKENZIE KING: The motion is not debatable. My right hon. friend has occupied a good deal of time this evening and I think, Mr. Speaker, that the motion had better be put.

Mr. SPEAKER: The right hon. member was discussing the point of order, as he had a right to do. Of course, the motion is not debatable, per se, under rule 17(a).

Mr. MEIGHEN: I shall not fail to thank the Prime Minister and hon. gentlemen for the exceeding courtesy they have shown throughout the day. I simply want to say that I do not wish my failure to appeal against the ruling to be regarded as acquiescence. I considered it a serious matter that a resolution of this kind should be submitted to a special committee in the absence of any precedent to justify it.

Mr. SPEAKER: I gave my ruling conscientiously and would not be affronted at all if an appeal were taken against it. Under the rules of the House, when the Speaker gives a decision it may be appealed against.

Mr. LAPOINTE: And that is all that may be done.

Mr. STEVENS: May I ask one question? Do I understand, Sir, that you interpret this resolution as constituting the order of reference to the committee?

Mr. SPEAKER: The motion speaks for itself. The motion is that the committee do not sit again but that the resolution be referred to a special committee. In my judgment the resolution which was adopted is thereby referred to the committee.

Mr. MEIGHEN: I am sorry to rise again. I understood that the motion included the clause, "that the committee do not sit again." I submit that this clause makes it doubly clear that the committee should sit again on the resolution.

Mr. SPEAKER: The special committee will have to report to the House and its report will be debated before the House.

Mr. MEIGHEN: Before the House?

Mr. SPEAKER: Yes.

Mr. MEIGHEN: My point is that under the rules this resolution must pass through committee of the Whole. The motion now is that it do not; and for the simple reason that the motion is contrary to the rules it cannot be in order.

Mr. GRAHAM: Will my hon. friend see this? I know he will see it if he thinks of it: You cannot have a resolution before two committees at the same time. It is now resolved to send the resolution to a special committee, and that committee will submit its report.

Motion agreed to.

On motion of Mr. Mackenzie King the House adjourned at 1.20 a.m. (Saturday).

Monday, March 23, 1925

The House met at three o'clock.

TAX COLLECTIONS

PROPOSED INQUIRY BY PUBLIC ACCOUNTS COMMITTEE

Mr W. C. GOOD (Brant): I should like to know if I may proceed now with the motion that I made on Friday last regarding the investigation of certain matters before the Public Accounts committee. This motion stood at the request of the Acting Minister of Finance (Mr. Robb).

Mr. MACKENZIE KING: Go on.

[Mr. Lapointe.]

Mr. MACDONALD (Pictou): What are the terms of the motion?

Mr. GOOD: I should like to move:

> That the standing committee on Public Accounts be instructed that they have power to investigate the methods by which the business profits and income taxes, especially in the case of large concerns, have been assessed and collected.

This is simply a renewal of the instructions given to the committee last year, the committee not having secured a quorum last year, and not having performed the work that was assigned to it.

Hon. J. A. ROBB (Acting Minister of Finance): I do not wish to unduly delay my hon. friend in presenting his motion and reaching a conclusion on it, but I think it fair to point out to the House, and for the information of the Public Accounts committee, before which committee I suppose my hon. friend will bring these matters for investigation, certain considerations. I was a member of the House at the time when the business profits tax and the income tax were introduced. I think that both these taxes are based upon the legislation of the British House, and that it was the desire of the representatives of the people in parliament that in so far as possible we should follow the British practice. My recollection—and I stand in the judgment of hon. members who were then in the House—is that parliament at that time unanimously decided that there should be secrecy, that confidential reports made to the government either by firms or private individuals should be treated as confidential. For the information of the House and of the Public Accounts committee, I especially desire to direct their attention to section 14 of the Business Profits War Tax Act, chapter 11 of the statutes of 1916, and my recollection is that the same clause will be found in the Income Tax Act:

> No person employed in the service of His Majesty shall communicate or allow to be communicated to any person not legally entitled thereto any information obtained under the provisions of this act, or allow any such person to inspect or have access to any written statement furnished under the provisions of this act. Any person violating any of the provisions of this section shall be liable on summary conviction to a penalty not exceeding two hundred dollars.

I am not going to oppose the resolution of my hon. friend. This is a new House, and the Public Accounts committee is constituted from members representing all parties in this House, and it will be for the Public Accounts committee, having regard to the

law as laid down by parliament, to determine how far they should go. I should like to say that so far as this government is concerned, we have endeavoured to carry out the principle of the law and to maintain secrecy so far as possible in connection with these reports. I have had the honour of presiding over the department administering these acts, and although personally I had the right, under the rule that the Minister of Finance is an officer of the department, to look into these matters, I have never attempted to dig into the affairs of firms or individuals making these reports.

Mr. GOOD: May I ask whether the minister does not recall that this matter was pretty fully debated last year? The resolution as it stands does not necessarily imply that private files are to be gone into. I think that matter was pretty fully considered and settled last year.

Motion agreed to.

RURAL CREDITS—REPORT OF DR. TORY

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): I desire to ask the Acting Minister of Finance (Mr. Robb) if the report from Dr. Tory has yet been received, and if so, when it will be tabled.

Hon. J. A. ROBB (Acting Minister of Finance): It has not yet been received, but I expect to receive it on Tuesday of this week. Dr. Tory has been very busy the last few days attending the sittings of the Industrial Research Council, but I understand that he is now rounding out his report, and I expect to receive it shortly.

EXPENDITURE AND COMMITMENTS

On the Orders of the Day:

Sir HENRY DRAYTON (West York): We are to have the budget, I understand tomorrow. There is a question on the order paper, question No. 10, standing in my name, the answer to which would give information which, I think, the House would like to have when considering the budget. The question refers to outstanding claims for capital expenditure for the current fiscal year, and the total amount of commitments as yet unpaid.

Hon. J. A. ROBB (Acting Minister of Finance): I shall direct this matter to the attention of the Deputy Minister of Finance. I am not sure that we have that information available in the department. It refers to all the different departments of the government, does it not?

Sir HENRY DRAYTON: Yes. In other words, the country's claims, commitments and the like.

Mr. ROBB: I will try and get the information for my hon. friend.

Sir HENRY DRAYTON: I would also like ordinary as well as capital.

PROPOSED IMMIGRATION OF LABOURERS

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): I want to ask the government a question arising out of a short news item which appears in the Lethbridge Herald of March 17. I will read it:

> Orders for thirty cars of cement from Exshaw, a million bricks from Redcliff, ninety tons of lime from the Summit lime works, Crowsnest, have been placed by the Utah-Idaho Sugar Company. Five cars of lumber have also been ordered, and heavy stocks of hardware. To meet the labour requirements of the beet growers, an order has been placed with the Canadian Pacific Railway Colonization Department for twenty-five Russian-German families.
>
> The Beet Growers' Association will bring in a limited number of selected Japanese labourers, while there is also talk of a colony of Highland Scotch being brought out. The company have decided to operate in Canada under a Dominion charter.

I would like to ask, if this company has been granted a Dominion charter, and if so whether the government would consider trying to prevent if possible an importation of workers until we have absorbed the surplus labour that is now without employment.

Hon. J. A. ROBB (Minister of Immigration): The question of my hon. friend is rather a large order. I shall first have to inquire in the Department of the Secretary of State whether a charter has been granted; my hon. friend could have obtained that information himself, I think. I have always regarded the Lethbridge Herald as a fairly reliable newspaper.

Mr. WOODSWORTH: I should like to ask whether as a matter of policy the government is content to allow a large number of foreign labourers to be brought to this country without some protest or without any regard to the unemployment which now exists. I think we have a right to that information.

Mr. ROBB: I think my hon. friend had better put his question on the order paper in the regular way, and we will look into it.

Mr. LAPOINTE: I may say that this question would be ruled out of order if it was made in the regular way, because it makes an assertion of fact.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

CANADIAN NATIONAL RAILWAYS—FREIGHT REVENUE

Sir HENRY DRAYTON:

What were the average receipts and expenses for revenue freight per freight ton mile in each of the years 1923 and 1924, in the different regions of the Canadian National Railways and affiliated companies?

Hon. Mr. GRAHAM:

	REGIONS				
	Atlantic	Central	Grand Trunk Western	Western	System
	1924—1923	1924—1923	1924—1923	1924—1923	1924—1923
Revenue from rates per freight ton mile (cts.).	1.080—1.093	1.152—1.150	1.307—1.377	.771—.718	1.010— .999
Total revenue..	1.111—1.129	1.191—1.192	1.365—1.440	.784—.733	1.040—1.032
Expenses per revenue ton mile..	1.285—1.402	.922— .941	1.045—1.000	.711—.703	.875— .884

Sir HENRY DRAYTON:

What were the average receipts and expenses for revenue freight per freight train mile in each of the years 1923 and 1924, in the different regions of the Canadian National Railways and affiliated companies?

Hon. Mr. GRAHAM:

	REGIONS				
	Atlantic	Central	Grand Trunk Western	Western	System
	1924—1923	1924—1923	1924—1923	1924—1923	1924—1923
Average receipts per freight train mile (dollars)..	3.86—3.90	5.96—5.92	7.52—7.52	4.52—4.01	5.39—5.18
Average expenses (ditto)..	4.46—4.84	4.61—4.67	5.75—5.22	4.09—3.85	4.53—4.44

DEPUTY MINISTERS

Mr. DOUCET:

Referring to questions answered by the ministry, page 515, Hansard, "How many deputy ministers are there at present and what are their names and salaries?"

Are any of the deputy ministers named, in receipt of any other moneys or remuneration from the public treasury than that stated in the government's reply to said question? If so, what is the total amount, yearly, received by each such deputy minister?

Hon. Mr. COPP: No.

GOVERNMENT PROPERTY, VANCOUVER

Hon. Mr. STEVENS:

1. What amount of insurance is carried on property in Vancouver: (a) In the name of the Dominion government; (b) In the name of Vancouver Harbour Commissioners; (c) In the name of the Board of Grain Commissioners?

2. What was the total premium paid on said insurance for each of the years during 1922, 1923, 1924?

3. To whom was the said insurance given and who were the agents of the companies with whom said insurance was placed?

Hon. Mr. COPP: This information has to be received from Vancouver. It will therefore be some time before the question can be answered. The same applies to question No. 8.

CANADIAN NATIONAL RAILWAYS—BOX CARS

Sir HENRY DRAYTON:

1. What was the number of empty box cars moved over the central region territory by the Canadian National Railway System in each of the years 1923 and 1924, in preparation for the movement of grain from prairie points?

2. What was the approximate cost of such movement?

3. Is the movement of empty box cars for this purpose in the central region charged to the expenses of the central region?

4. What percentage of the rail grain movement east in each of the said years stopped at the head of the lakes?

5. Are all the receipts of such movement to the head of the lakes credited to the western region?

Hon. Mr. GRAHAM:

1. 1923, 16,344; 1924, 10,963.

2. These cars were moved in the ordinary course of business and no attempt was made to record the cost of their movement.

3. Yes.

4. 1924, 95.49; 1923, 94.54.

5. Yes.

BANKRUPTCY ACT

Mr. SPENCER:

1. Is it the intention of the government to introduce legislation at this session of parliament, in connection with amendments to the Dominion Bankruptcy Act as proposed by the standing committee on Banking and Commerce at the close of last session?

2. If so, when will such legislation be brought down?

Hon. Mr. LAPOINTE:

1. The matter is engaging the attention of the government at present.

2. Answered by No. 1.

CANADIAN GOVERNMENT MERCHANT MARINE—CARRIAGE OF COAL

Mr. CLARK:

1. How many tons of American coal were carried from United States ports to eastern Canadian ports on vessels of the Canadian Government Merchant

Marine during the calendar years 1922, 1923 and 1924?
2. What proportion of said coal was anthracite and what proportion was bituminous?

Hon. Mr. GRAHAM:

1. 1922, Nil; 1923, 2,235 tons; 1924, 9,249 tons.
2. All bituminous.

JUDGE CODERRE

Mr. BENOIT:

1. Is the Department of Justice aware that Judge Coderre has been sitting for some months on a police inquiry in Montreal as commissioner?
2. Has the Minister of Justice authorized such judge to devote his time to this inquiry?
3. Is the Department of Justice aware that the said judge has sent in a bill to the city of Montreal for more than $8,000 for his services?
4. Has the said judge drawn his salary during the time devoted to this inquiry?

Hon. Mr. LAPOINTE:

1. Not officially.
2. No.
3. No.
4. Yes.

CROSS POINT-CAMPBELLTON FERRY

Mr. JONES:

1. Was the department communicated with about the time of the expiration of the contract of the Cross Point-Campbellton Ferry Service?
2. If so, by whom, and what offers were made?
3. Were there any representations made to the department that it would be in the interest of interested parties on both sides of the river to have this contract open to tender?
4. If so, what representations and by whom?

Hon. Mr. KING (Kootenay):

1, 2, 3 and 4. As the license for Cross Point-Campbellton ferry service expires on the 30th of April, 1925, the licensee, having made substantial expenditures on his boat to provide more efficient service and better accommodation, made application to have license renewed. Upon a thorough investigation made by the department, and in view of the request for renewal of license having been approved by the municipalities concerned, it was decided to grant the renewal as authorized by the act for an additional period of five years from May 1, 1925. At the time the matter was under discussion, in the summer of 1924, representations were made by Robert L. Sinclair, G. B. Harper, A. A. Andrew and Capt. Frank J. Allard, all of whom desired that the renewal of the contract be opened to tenders, but sufficient reason was not found to exist to grant their request.

GOVERNMENT EMPLOYEES'—FREE TRANSPORTATION

Mr. JONES:

1. When free transportation is provided for government employees as authorized by law, is the department whose official receives the transportation charged with the same and the amount credited to government railways when the service is performed by the Canadian National Railways?
2. Otherwise, how is the matter dealt with?

Hon. Mr. GRAHAM:

1. No charge is made a government department by Canadian National Railways, nor is credit taken, when a government employee presents free transportation authorized by law.
2. Answered by No. 1.

LEGER'S CORNER SHOOTING RANGE

Mr. DOUCET:

1. Has the Militia department a shooting range at Leger's Corner, in the county of Westmorland, New Brunswick?
2. If so, is it the intention of the government to use this range during the coming summer or in the future?
3. Has the Militia department or the government received any complaints from the residents of this community opposing the use of this range as being dangerous to the residents?
4. If so, what steps have the government taken to remove this danger?

Hon. Mr. MACDONALD (Pictou):

1. Yes.
2. Yes.
3. Yes in the spring of 1922.
4. It was found on investigation that firing on this range is not dangerous to the residents of the vicinity.

RICHIBUCTO PUBLIC BUILDINGS

Mr. DOUCET:

1. Were tenders invited for repairs and improvements on public buildings at Richibucto, Kent county, New Brunswick?
2. If so, what tenders were received and amount of each tender?
3. Who made the repairs and at what cost?
4. Was the work passed as satisfactory by the district engineer?

Hon. Mr. KING (Kootenay):

Fiscal Year 1924-1925.

1. Yes.
2. For general repairs to masonry, Richard J. Daigle, $250; for the interior minor repairs and painting, John Blanchard, $580; Chas. Lovelock, $550; H. C. Cameron, $498.
3. General repairs, Richard J. Daigle, $250; interior minor repairs and painting, H. C. Cameron, $498.
4. Yes, by the district resident architect.

HARTLAND PUBLIC BUILDING

Mr. JONES:

1. Have electric lights been installed in the Dominion building at Hartland, Carleton county, New Brunswick?
2. If so, on whose recommendation?
3. Has John W. Adams resigned or been dismissed from the position of caretaker of said building?
4. If dismissed, what were the reasons for dismissal?

5. Who has been appointed to fill the position, and upon whose recommendation?

6. What are the names and occupations of the applicants for said position?

7. Which of said applicants were returned soldiers?

8. Was the person appointed a returned soldier, and, if not, why?

Hon. Mr. KING (Kootenay):

1. Yes.

2. The district resident architect and the mayor of Hartland.

3. Dismissed.

4. Incompetency.

5. No appointement yet made.

6. Wm. Fraser, labourer; Lewis E. McFarlane, carpenter; John A. Drake, clerk; Geo. I. Movers, no occupation given; E. A Britton, Cement worker; John F. Murdock, town marshal; W. E. Price, farm helper.

7. Wm. Fraser, E. A. Britton, W. E. Price.

8. Answered by No. 5.

EXPENSES OF GOVERNMENT OFFICIALS

Mr. HARRIS:

1. For what purpose were travelling expenses paid to A. H. Brown, W. H. Casselman, R. S. Glass, W. Kearns, J. W. Reid and J. N. Tribble, as shown in Auditor General's report, page BB. 7?

2. Is it a part of the duty of these officials to go on trips of inspection?

3. What reports, if any, were received from the said officers?

4. Will the government lay said reports on the Table?

Hon. Mr. ROBB:

1. To inquire into the methods of accounting of revenue and expenditure at the office visited and to make a test audit of stores.

2. Yes.

3. Reports were made to the Acting Auditor General in each case.

4. Reports will be tabled if asked for.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN PERMANENT FORCE

Mr. LANCTOT:

1. What is the present number of officers of the Permanent Force who are qualified for a higher rank, but who are waiting for a promotion: (a) lieutenants for the rank of captain; (b) captains for the rank of major; (c) majors for the rank of lieutenant-colonel; (d) lieutenant-colonels for the rank of colonel; (e) colonels to command a military district?

2. Does the Minister of the Department of National Defence intend to retire the generals and other officers who have been in the service for some years, thus stopping the promotion on the staff and in the permanent force?

Mr. LANCTOT:

1. What is the actual strength of the Canadian Permanent Force?

2. What is the present number of officers of the staff and permanent force who are holding the full, temporary and brevet ranks: (a) colonel; (b) lieut.-colonel?

[Mr. Jones.]

3. What is the position and the salary of the following generals who are yet in the service: General MacBrien, General Ashton, General Panet, General Macdonell, General King, General Elmsley, General McNaughton, General Thacker, General Bell, General Ross, General Ormond, General Ketchen, General Armstrong, General Landry?

4. What is the name of each of those generals whose tenure of appointment or the extension of term will end during the fiscal year, 1st April, 1925, to 31st of March, 1926?

5. Does the Department of Defence allow a six months' leave with pay and allowances to the officers before being pensioned?

6. If so, is it the intention of the Minister of National Defence to notify, through the Adjutant General, each general six months before the expiration of his tenure of appointment or his extension of term that he will be retired from the service for giving promotion to other officers?

PAS MINERAL BELT—GOLD CLAIMS

Mr. BIRD moved:

For a return showing the total income from gold claims in the area known as the Pas Mineral Belt, for the years 1922, 1923 and 1924; the income for the same years from the following sources: entry fees, in lieu of development work, renewals, surveying, rentals, royalties; also total amount expended by the Department of Mines during the above years for development and administration of the said area.

Hon. CHARLES STEWART (Minister of the Interior): It would be a little difficult to give the administration costs for this particular area, but we will give it as closely as we can. The other information we can furnish.

Motion agreed to.

FINANCIAL CREDIT

PROPOSED INVESTIGATION BY COMMITTEE ON BANKING AND COMMERCE

Mr. W. C. GOOD (Brant) moved:

That, in the opinion of this House, the select standing committee on Banking and Commerce should be instructed, in accordance with that committee's recommendation at the 1923 session of parliament, to continue during the present session of the House, the investigation into the basis, function and control of financial credit and the relation of credit to commerce and industry, with a view to advising this House as to the desirability of some constructive and fundamental changes in the present financial system.

He said: I should like the close attention of the Acting Minister of Finance (Mr. Robb) for a few minutes at all events.

Mr. ROBB: I am always much interested in the remarks of my hon. friend.

Mr. GOOD: On the 9th March, 1923, the House ordered as follows:

That in accordance with the recommendations contained in the second report of the select standing committee on Banking and Commerce, the said committee be given power to investigate the basis, the function and the control of financial credit, and the relation of credit to industrial problems.

In accordance with that order the committee spent very considerable time in hearing a number of witnesses on the question under consideration, among whom were the following: Messrs. Bevington and East from Alberta; Sir Frederick Williams-Taylor from Montreal; Sir John Aird from Toronto; Major Douglas from England; Sir Edmund Walker, Toronto; Professor Adam Shortt, of Ottawa; Professor Swanson, of the University of Saskatchewan; Professor Irving Fisher, of Yale University; Mr. Tom Moore, of the Dominion Trades and Labour Congress; and Mr. H. T. Ross, Secretary of the Canadian Bankers Association Immediately after the evidence of these gentlemen was received the committee proceeded, not to consider that evidence, but to consider the revision of the Bank Act, and that revision took up the remainder of the session. At the last sitting of the committee the following resolution was passed which formed the eighth report of the committee:

> Your committee in obedience to the order of the House of March 9, 1923, have had under consideration the question of investigating the basis, the function and the control of financial credit and the relation of credit to the industrial problems; and in connection therewith have held several meetings and examined the following witnesses, namely: Messrs. Bevington, Douglas, Fisher and others, but have not been able to complete their inquiry into the matter covered by the order of reference.
>
> Your committee specially recommend that a further reference be made at the next session of parliament on the matters referred to in the said order of reference.
>
> Your committee beg to submit printed copy of their proceedings on such reference and all documents submitted and not contained in the proceedings.
>
> All which is respectfully submitted.

This report from the committee was made to the House and acquiesced in by the House. It was necessary, however, that the matter should be revived last year if anything further was to be done. Therefore the hon. member for East Calgary (Mr. Irvine), if my recollection serves me, placed a resolution on the order paper with the intention of reviving the matter, but as hon. members will recollect the disastrous failure of the Home Bank necessitated the Banking and Commerce committee last year devoting its whole attention for the complete session to that particular matter and to various questions arising therefrom. Moreover the resolution which the hon. member for East Calgary placed on the order paper, along with many other resolutions, was not reached, on account of the fact that the government took private members' day very early last session. This matter therefore was not revived last session, and I am asking this year that the committee be given power to complete the investigation undertaken two years ago. I should like to remind the House and the Acting Minister of Finance (Mr. Robb) that so far the Banking and Commerce committee has not held any meetings, and, so far as I know, it has very little business before it this year. It seems to me therefore that the time is opportune for the completion of the work begun two years ago. In my judgment there is no need to spend further money in securing further witnesses. We have a vast amount of very useful information already in the report, information which has never been discussed,—which has not had five minutes' discussion in the committee. It seems to me to be only reasonable and fair that this year the committee, with very little to do, should be given instructions by this House to complete the report which they should have made two years ago. Indeed, I am asking nothing further than the committee itself recommended at the conclusion of the session of 1923. If the government were disposed to grant this request I would feel disposed to save the time now by not setting forth further reasons why, in my judgment, the work of this committee should be completed, and if I may, Mr. Speaker, I should like to pause to ask the Acting Minister of Finance (Mr. Robb) whether or not, with the information I have already placed before him and the House, he will not grant the request that I have made. I should not like to exhaust my right to speak, but I would ask him the question now, if he feels disposed to answer it, as to whether or not, in view of the facts I have set forth, it is not a fair and reasonable request that I make.

Hon. J. A. ROBB (Acting Minister of Finance): If my hon. friend would so amend his resolution as to carry out the statement just made, that no additional witnesses would be required, I would not be disposed to offer any opposition to it; but if I may be permitted—following the example of my hon. friend,—without exhausting my right to speak later on, I would point out that if he is going to call witnesses this resolution might conflict somewhat with the resolution of his coworker the hon. member for Macleod (Mr. Coote) who only recently brought in a resolution and made a speech emphasizing the importance of the House going over and reviewing carefully all expense before the expense was incurred. If my hon. friend will give a guarantee in resolution that there will be no additional expense of witnesses I will not oppose it.

Mr. GOOD: I am very pleased indeed to have the assurance of the Acting Minister of Finance. It was not my intention at all to ask for the hearing of further witnesses. I think we have abundance of information already before the committee, and while, just at the moment, I do not know exactly how the resolution should be amended, I should be very glad to consider amending it in such a manner. I presume there are other hon. members of the House who would like to speak to the motion, and if the minister is agreeable I will reserve what further I have to say until the close of the debate. Meanwhile I shall see what can be done to amend the resolution as has been suggested.

Mr. ROBB: Perhaps my hon. friend would like to have the motion stand until he can have it amended.

Mr. DEPUTY SPEAKER: That means it will have to stand until the next motion is taken.

Mr. GOOD: No. If I may have consent, I would move as I have already read the motion with the addition of the words:

—providing, however, that no further witnesses are to be called.

Mr. ROBB: "Outside witnesses".

Mr. GOOD: Very well:

Providing, however, that no further outside witnesses are to be called.

The suggestion has been made as to outside witnesses. I think the feeling is that any of the departmental officials who are here might be available. Does that meet with the approval of the Acting Minister of Finance?

Mr. ROBB: Yes. No further witnesses outside of Ottawa.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, this seems a most amusing form for a resolution to take to be submitted to parliament. It expresses the acquiescence of this House in the Banking and Commerce committee continuing an investigation providing it does not make the investigation useful. The House is quite ready in its opinion that the Banking and Commerce committee

—should be instructed, in accordance with that committee's recommendation at the 1923 session of parliament, to continue during the present session of the House, the investigation into the basis, function and control of financial credit and the relation of credit to commerce and industry, with a view to advising this House as to the desirability of some constructive and fundamental changes in the present financial system.

—providing the committee does not get any witnesses outside of officers of the government. I know the amendment is put on at the suggestion of the Acting Minister of Finance, but surely the hon. member sees that it is making simply a farce of the whole resolution. The House is to have a continuation of an investigation into a question that is not only vital but so abstruse that the numbers of those who really comprehend it in any country are remarkably limited, and the committee are to be hobble-skirted as soon as they start out. They are told that they already have had enough expert advice on the question, and all they can get from this on is from officers of the department. At the same time, there is an implication in this resolution that this Dominion requires a constructive and fundamental change in its whole financial system. I cannot help remarking on the absurdity of the House intimating that our financial system requires constructive and fundamental changes, and our committing the task of devising those changes to a committee whose powers are abbreviated, whose investigations are limited, into making inquiries from a few officers of the department. Is the thing not absurd?

Mr. GOOD: Does my right hon. friend not recall that we have already on hand from experts a large quantity of evidence, that has never been considered or discussed or reported on at all?

Mr. MEIGHEN: Very well. Then I think the committee would use its own judgment. How does the committee know, before it has studied that evidence, whether it requires any more evidence or not, and how does this House know, when it has no word from the former committee on the subject? If we are going to appoint a committee on a question so important, we must trust the committee not to waste the money of the treasury. It is a small compliment to the hon. member for Brant (Mr. Good), as well as all hon. members of the committee, that the minister should be quite willing that they should investigate, dig, delve, think and report as long as they do not spent a cent.

Mr. DEPUTY SPEAKER: The amendment must be moved by another hon. member. Moved by Mr. Hoey, seconded by Mr. Lewis, that the resolution be amended by adding at the end thereof, the following words:

Providing, however, that no further outside witnesses are to be called.

Is it the pleasure of the House to adopt the resolution as amended?

Mr. GOOD: Just before the amendment carries, I would say very frankly that I should

have much preferred that the government would leave this to the discretion of the committee, but I am willing to concede the point, and if the Acting Minister of Finance is worried over the question of expense—

Mr. ROBB: I am.

Mr. GOOD: —I will try to get along.

Mr. CARROLL: I think my hon. friend will be able to call all the witnesses he wants under the amendment.

Mr. GOOD: I just wanted to state my position for the benefit of the leader of the opposition (Mr. Meighen). I quite appreciate what he says, and I think it would have been a little more courteous to the committee on the part of the Acting Minister of Finance if he had allowed them a little more liberty. But at the same time if there is any anxiety on his part in regard to the matter, I am quite willing to concede the point, and we shall try to get along with the limitation imposed by the amendment.

I was prepared to argue the whole case before the House on this occasion; but quite a large number of private members have resolutions on the order paper, and out of consideration for them, perhaps I ought to reserve what I have to say for the committee, now that the committee is open to discuss the question. The House will recall that about a week ago there was a debate on the taking away of private members' days, and a very strong feeling was expressed on that occasion that an opportunity ought to be given to private members to bring forward their resolutions. For this reason and out of courtesy to them, I have decided to say nothing further on the present occasion, provided the resolution carries, as I see now it is likely to do.

Motion as amended agreed to.

UNEMPLOYED IMMIGRANTS

MOTION BY MR. WOODSWORTH FOR MAINTENANCE UNDER CERTAIN CONDITIONS

Mr. J. S. WOODSWORTH (Centre Winnipeg) moved:

That, in the opinion of this House, if at any time during the first two years after his arrival in Canada any immigrant is unable to obtain employment, the federal government should accept full responsibility for his maintenance.

He said: Mr. Speaker, it will be noted that this resolution does not cover the general question of unemployment, but rather limits itself to responsibility for unemployed immigrants. In reality, it involves little more than a regulation that will check up the effectiveness of the government's immigration policy. If the government brings in only those immigrants who are needed, there will be no necessity whatever for any added responsibility. If, however, the government's policy is unsound or its administration inefficient, why should the resulting burdens be laid upon the provinces or the municipalities? If the principle of this resolution is adopted, it might lead to a correlation of the activities of, if not to a consolidation of, the Departments of Immigration and Labour. At the present time there appears to be no correlation at all between these two departments. We have on the one hand the reports of the Department of Labour showing that there is to-day altogether too great a supply of labour, and on the other hand there is the utmost activity being put forth by the Department of Immigration to bring in still more labourers. It would seem to be only reasonable that these two departments should work in close co-operation; indeed, it would seem advisable to consolidate them under one departmental head.

With regard to the question of the acute unemployment that exists at the present time little need be said. This government within the past few months has been literally deluged with deputations from the nearby cities, and with resolutions from the cities that are more remote. I have no thought whatever of attempting to bring before the House the sheaf of resolutions which have been submitted to the government. I think we all recognize that from Halifax to Sydney representations have been made within the last few months to the effect that there is a very great deal of unemployment.

Although I have said that the resolution is directed specifically to the question of the unemployed immigrant, it must be remembered that the general question of unemployment cannot be ignored, inasmuch, as if work is found for immigrants in an already overcrowded labour market, others are bound to be displaced in consequence. This has happened again and again through the high-pressure methods which have sometimes been adopted by the Immigration department. New arrivals have been quickly placed, and the department has boasted of their quick placements, at the very time that other workers who have been longer in the country have been wandering about in search of positions.

We all recall that a few months ago there was held in the city of Ottawa an unemployment conference, or perhaps more correctly a national conference with regard to winter unemployment in Canada. This conference, although it was called primarily to deal with winter unemployment, broadened out into a

discussion of the whole question of unemployment. There were some fifty delegates present representing the Dominion and provincial governments, the municipalities, the Canadian Manufacturers' Association, Canadian building and construction, labour, the Canadian railways, and the employment service of Canada. Evidence was given of much unemployment in all sections of Canada. Mayors and responsible officials from one end of the country to the other testified to the serious character of the unemployment situation in their several cities, and at the conclusion of the conference there was passed the following very significant resolution:

The existing conditions are being aggravated by the present policy of bringing immigrants to this country who are drifting to our industrial centres as casual labourers without possibility of employment. Immediate action being necessary to correct this condition, we urge upon the federal and provincial governments that all such immigration shall be immediately regulated until it is proved that there is a reasonable demand for labour and that it is possible of being absorbed.

That seems to be a very reasonable contention; but it is a rather strange commentary on our immigration policy that a group of responsible officials should pass this resolution and send it out broadcast, declaring that we have no further need for immigration because of the large volume of unemployment that exists at the present time. It is not my intention to read at any length from this report, although I think that every hon. member should read it carefully. There are, however, one or two very interesting statements made by representatives from the Scandinavian countries. They show very conclusively that these immigrants whom we have always regarded as most desirable are often not easily placed after their arrival in this country. Here is one of the statements presented by the mayor of Vancouver from a Scandinavian emigrant station:

Mayor and Council of Vancouver:

Many hundreds of Scandinavians have lately arrived here, and we are glad to see them. But we admit it pains us often when young men and girls arrive without funds, no work, no friends, and not knowing the language. We try to find jobs for them, but with the city full of idle men, what chance has a newcomer? We find men among them who are educated. We find among them mechanics, chemists, musicians, almost starving. And this is what they tell us: that the government carries on propaganda in Norway, Sweden and Denmark, employing agents whose business is to induce as many as possible to migrate to Canada.

Now I, for one, do not believe that this government employs such agents. I rather think the railroads, together with the steamship companies, are the guilty ones, and they should be made to look after them when they get here.

In the meantime here they are, and more arriving almost daily. Would someone think of a plan to help these sturdy Norsemen, and be a big brother to them in their hour of need?

[Mr. Woodsworth.]

Just one more thing. If these companies persist in such methods of bringing in settlers we will consider ways and means by which we can counteract their propaganda, to wit: write a strong protest and explain in the publications of Europe the rotten methods employed by these people. Give us a square deal.

Respectfully yours,

J. J. PETERSEN,
In charge.

Since the unemployment conference last autumn the situation has grown steadily worse. I will not emulate the example of the Prime Minister (Mr. Mackenzie King) and read the large numbers of letters which might be produced regarding this matter. I would simply indicate that from almost every industrial centre there have been sent in protests against the present policy. It will be remembered that two years ago from my own city of Winnipeg there came a resolution which I placed on the order paper to this effect, in part:

And whereas a percentage in excess of 33⅓ per cent of persons under relief are returned soldiers, or persons with short residence in Manitoba, who might properly be classed as "citizens of Canada at large", and that the relief of such persons should be borne by the country as a whole;

This clause calls attention to the fact that a considerable number of the people in Winnipeg who need help have recently arrived in the city.

Mr. FORKE: Who passed that resolution?

Mr. WOODSWORTH: It was passed two years ago by the Winnipeg city council. I have quoted one clause calling attention to the character of those seeking relief. According to the last report of the city relief officials, an extensive document, on relief given by the city of Winnipeg this year up to date, the cost is set down at over $180,000 while the number of persons aided was 11,304.

Now when this is the situation prevailing in Winnipeg the large number of people who have been unemployed throughout these many months can hardly view with equanimity the introduction at the present time of large parties of new immigrants. The state of affairs existing in most of our western cities is very well indicated by an article which I shall read from one of the Calgary papers of recent date:

Unemployed in large numbers are pouring in
New class coming to Calgary who do not fulfil the conditions required by city
Many immigrants whose need is very apparent
Mayor Webster sends strong message to Ottawa: calls attention of Alberta government

Married men, immigrants to Alberta during the past two years, are constituting a serious problem to the

city with their pathetic and deserving appeals for relief, since the majority of them do not fulfil the conditions required by the city's relief policy. Mayor Webster and Commissioner Graves are daily confronted with pitiful stories of sorrow, hard luck and actual privation. Only a heart of stone could turn away the foreign women whose eyes hold a mute resentment for cruelties received in what was to have been the promised land, or their bright, thin-faced kiddies, whose scanty clothing tells all to plainly the state of family finances.

If the truth were told, Mayor Webster and Commissioner Graves and members of the city hall staff have dug deep in their own pockets to alleviate the miseries of those who cannot claim relief from the city. The majority of these foreign families do not belong to Calgary, they cannot meet the requirements of the relief department as either residents for ten months, or taxpayers. Their real need is apparent, but the executives of the city are faced with the more serious problem of making Calgary the mecca for the unemployed of the entire province, if the relief policy laid down by the council is not adhered to in the strictest manner. The voluntary creation of a class which yearly subsist on public charity is a dangerous procedure for any city.

Wires to Labor Minister

Feeling that these people could not be allowed to starve, nor could the city assume responsibility for them, Mayor Webster yesterday wired James Murdock, minister of labor, as follows:

"Very considerable number married men with families demanding relief from city account unemployment, who do not come under our regulations, being immigrants come to Calgary recently and now destitute. Our policy takes in married men residents ten months or more and relief to this class is costing city large sums each month and impossible to do more. We cannot consider relief to immigrants and there are many cases absolutely destitute and suffering. Can you authorize some representative federal authorities to investigate and care for these cases in Calgary.

GEORGE H. WEBSTER, Mayor.

This unsatisfactory situation is leading to quite a movement on the part of the unemployed themselves. They are gathering their forces in almost all of our cities—in Montreal, in Toronto, in the cities of western Ontario, in Fort William, in Winnipeg, in Calgary, in Edmonton and in Vancouver; they are formulating a very definite policy which they will carry out if the government persists in its present programme. Here, for example, is a little manifesto issued by the Unemployed Workers of Canada with regard to the press and immigration:

Whereas, in view of the campaign of slander and misrepresentation by the press of the number and position of the workers unable to get employment; which campaign is echoed and supported by many of our public and official men;

And whereas, there are one million unemployed workers in Canada;

Therefore be it resolved that this organization of 900 unemployed workers of the city of Edmonton will, by marking said passages as they appear in the press, and forwarding them to our class-conscious brethren in the Old Countries from which we came, and by other means do all in our power to prevent immigration to this country, so long as such conditions shall continue to exist;

And further, that a copy of this resolution be sent to the National Council of Unemployed in Toronto, and as many other organizations as possible, requesting action.

And still further, that a correspondence bureau be established between organizations in different parts of Canada, for the purpose of collecting statistics relating to unemployment, assignments, business failures, banking conditions, mortgage foreclosures, tax sales, number of farms abandoned, population statistics, and other vital facts for the benefit of the prospective immigrants and investors;

Mr. IRVINE: Mr. Speaker, I should like to ask the hon. member if he does not think it would be advisable to send for the Minister of Labour (Mr. Murdock) and the Prime Minister (Mr. Mackenzie King) to hear these statistics, if we are to expect any result?

Mr. WOODSWORTH: Mr. Speaker, I should be very glad indeed to have both the Prime Minister and the Minister of Labour in their seats, but I cannot compel their attendance. I trust their attention may be directed to these statistics. The manifesto concludes:

And further still, that copies of this resolution be forwarded to the press, and public bodies; and that this campaign be not launched unless sympathetic consideration of the problems of the unemployed workers be withheld;

And lastly, that this manifesto be translated into foreign languages and printed.

Now, Mr. Speaker, I submit that with the very large immigration from all parts of Great Britain and the continent, there are already a sufficient number of people in Canada to either make or break any immigration policy that the government may devise. If the people now here are not satisfied, and continue to write to their home papers telling the actual conditions that prevail in Canada, it is almost hopeless, even with the expenditure by the government of enormous sums of money, to induce any more immigrants to come to this country. I notice, for instance, in the Daily Herald, the one labour daily which is printed in Great Britain, there occurs the following statement, in the issue of February 5:

4 p.m.

Notices displayed outside employment exchanges in Britain declare that thousands of men are wanted in Canada.

Why do the authorities lie to our unemployed?

The Canadian papers are full of reports of unemployment and suffering in that country.

Here are a few of the headlines from three recent issues of the "Evening Telegram," an important Toronto newspaper:—

"All types of men seek jobs. Veteran's badge isn't a help. Labor Bureau up against big task hundreds of applicants. Outsiders come to city: single men out of work suffer—some cases of near starvation."

"No food for four days. Man's pitiable plight. Sought work, not alms—fell exhausted at 'House of Industry' door."

"How 'Other Half' Lives. Told by mother. Distressed wife shows how furniture is broken up to keep her children warm."

These headings are not taken from a Canadian Labour paper, nor from any paper that is confessedly out of sympathy with the government's immigration policy; they are taken from the files of the Evening Telegram of Toronto. We are already in such close touch with the Motherland that conditions here cannot continue to be unsatisfactory without their becoming very definitely known by the Labour papers of the Old Country; and I would repeat, that conditions being so known, all the efforts the Canadian government officials overseas may put forth to induce immigration to Canada will be largely nullified.

The Department of Immigration has emphasized the statement that only farm labourers and domestic servants are being sought for in England or in Europe. At the unemployment conference the Minister of the Interior (Mr. Stewart), for years the Acting Minister of Immigration, stated:

> The most careful scrutiny is made of entrants to Canada, and they are the agricultural class very largely.

Now, is this actually true? I notice a very interesting editorial in The Federated Railwayman of November, 1924, commenting upon this statement of the Minister of the Interior. That editorial contains a very enlightening table showing the emigration from Great Britain to Canada by occupations. With the permission of the House, I should like to place excerpts from this editorial and the table it contains on record in Hansard.

The document submitted is as follows:

> Since the unemployment conference was held, evidence has come to hand, which shows that the statements made by the Hon. Charles Stewart were not in accordance with facts. The British Board of Trades Journal in a recent issue contained tables showing the number of emigrants from the British Isles to various countries including Canada for the years 1921, 1922 and 1923. The following tables give this information in so far as it relates to Canada, for both male and female emigrants.

Emigrants from Great Britain to Canada in 1921, 1922 and 1923, by occupations

Males	1921	1922	1923
Agricultural	4,996	3,601	9,815
Commercial, Finance and Insurance	2,526	1,492	2,243
Professional	835	494	552
Skilled Trades—			
Mining and Quarrying	554	648	1,344
Metal and Engineering	1,334	1,103	2,816
Building	340	208	687
Other	1,811	1,230	2,610
Transport and Communications	667	366	725
Laborers not in Agriculture or Transport	3,551	1,016	3,827
Other and ill-defined occupations	1,483	1,234	1,630
*Total (18 years and over)	18,097	11,392	26,249

Females	1921	1922	1923
Domestic, Hotel, etc., Service	4,764	3,279	3,852
Commercial, Finance and Insurance	850	380	426
Professional	802	524	486
Clothing Trades	324	215	270
Wife or Housewife (not otherwise described)	10,975	6,455	8,622
Other and ill-defined occupations	908	652	1,040
†Total (18 years and over)	18,623	11,505	14,696

*Inclusive of 152 males of 12 years of age and over in 1921, 75 in 1922, and 82 in 1923, whose ages were not specified.

†Inclusive of 138 females of 12 years of age and over in 1921, 99 in 1922, and 64 in 1923, whose ages were not specified.

It will be noticed that just slightly a little more than one-third of the male emigrants for the period covered by these tables, were agricultural, in other words, out of a total of 56,738 male emigrants from Great Britain entering Canada during the years 1921, 1922 and 1923, only 18,412 entered as agricultural workers. While the female emigrants who entered Canada during the same period less than one-fourth were for domestic or farm service.

This report covers only Great Britain, and we have every reason to believe that the immigration from other countries, for the period stated, is at least in similar proportion.

In view of these facts and the statements made by the Hon. Charles Stewart, one of two things are very evident, either the government does not practice what they preach on immigration, or they are being badly hood-winked by their own agents and the agencies who are interested in flooding this country with immigrants.]

Now I should like to ask: upon whom should the responsibility for these unemployed immigrants fall? First of all, should it fall upon the individual and his family? That is largely where it falls to-day. Mr. Speaker, I regard it as absolute cruelty to induce people to come here either by false statements or by statements that are not sufficiently understood by the intending emigrant, and then allow that man to be thrown out upon an overcrowded labour market. I do not suggest that the government deliberately makes false statements in inducing people to come here, and yet I know sufficient of English life and of the viewpoint of the ordinary Englishman to know that a great many of the statements that are made leave a very false impression. I hold in my hand one of the posters which is broadcast on the other side. In large type appear the words "Why Pay Rent? Why not own your own farm?" And there is a picture of quite a comfortable farm house. I do not think I need to go into this question very fully to show to hon. members that there are tens of thousands of farmers who have been a good many years out on the western prairies who do not own as comfortable a house as the one pictured. I know perfectly well, on the other hand, that there are hundreds of

houses that are equally comfortable, and some much more comfortable than the one pictured. But the impression left is that any man may have a house like this, and that he may secure it very readily.

Mr. GARLAND (Bow River): Does the advertisement indicate that there is a mortgage on that house?

Mr. WOODSWORTH: No, nor does it indicate that the vast proportion of the farms in the three prairie provinces are very heavily mortgaged. There is nothing said about that. The poster goes on:

> The British and Canadian governments have arranged to advance funds for the settlement of farm workers and tenant farmers of limited means, and other suitable families who desire to engage in farming, on improved farms in Canada.

It states that there are farms ready for occupation within a reasonable distance of schools, railways and markets. I will leave the agricultural members of this House to say whether all these farms spoken of are within easy range of schools, railways and markets. If so, how is it that a large number of rural schools in my own province of Manitoba were closed last year? If so, how is it that bills for new railways were placed before this House last year? Surely this would indicate the necessity of bringing railways nearer to the homes of those already located?

Mr. COOTE: Might I ask the hon. member if this is one of the farms that the government is going to sell to these new settlers on twenty-five year terms, and easy rates of interest?

Mr. WOODSWORTH: I believe so. Another statement made is that loans repayable over twenty-five years, with interest at 5 per cent per annum can be secured. That is a better rate of interest than people already living here can secure. I do not know that I need go any further in reading this poster. My point is simply this: that although the statements may not be absolutely false, yet in the atmosphere in which they are published in England they convey an absolutely misleading idea as to the conditions that actually prevail in Canada, and we have large numbers of people coming over in response to such advertisements who are bitterly disappointed after they have been here for a short time.

I ask whether the individual should be allowed to bear the whole brunt of the unemployment, and permit me in this connection to quote one or two brief paragraphs from speakers who presented a case a few months ago before the mayor of the city of Montreal. This clipping is taken from the Montreal Daily Star of October 17, 1924:

> A thorough review of the condition of unemployment in this city was given by H. B. Mackenzie, president Board of Trade; Geo. Lyman, chairman of the special committee, interviewing His Worship; J. T. Foster, president of the Trades and Labour Council; Right Rev. John Farthing, Bishop of Montreal; Lady Drummond, and several others. Mayor Duquette presented his views. He summed up by attacking the immigration policy of the country for allowing more men to come to Canada than could be absorbed in industry, and suggested that an embargo on the country's natural resources would help to promote manufacturing and give work.

In the course of that discussion I notice this appeal from J. Howard T. Falk, a prominent social worker in the city of Montreal:

> You may leave the unemployed alone, but if they are left alone with their wives and children, you will have all the other problems crowding in, sickness, character breaking, wife desertion, non-support, delinquency, for which you will have to pay through the nose later on.

Undoubtedly, under modern conditions, the question of unemployment cannot be settled by the individual. There are admittedly shiftless individuals, and lazy individuals, and drunken individuals, but the great part of unemployment to-day is involuntary, and hence the state in some form cannot divest itself of certain responsibilities. I should say that one of the first responsibilities of the federal government here is to insist that there shall be a greater correlation between the work of its own officials and that of the officials of the several railway companies. The other day I asked several questions, which were passed as an order for return, as follows:

> What salary was paid to the manager of the Colonization Department of the Canadian National Railways in Europe in the year 1924?

The reply came:

> The management does not consider it in the public interest to publish this information.

I asked further:

> What sum was paid to the manager as expenses, travelling and personal, in addition to this salary?

And the reply was:

> The management does not consider it in the public interest to publish this information.

Here we have a very curious situation, Mr. Speaker. We have the Canadian National railways branching out into all kinds of sidelines, among others into an immigration policy, a policy upon which this House is by no means unanimous, a policy which may very easily lead to duplication of effort on the part of the Colonization department of the railways and the government's own agents; and yet when we ask what are the salaries and the expenses connected with those departments of the railway's operations we are told that the management "does not consider it in the public interest to publish this information." As a

member of this House I protest against this view of the matter. I urge that it is decidedly "in the public interest" that we should know how much money is being spent by the Canadian National. It is of very little use scrutinizing the expenses of our own departments, very little use deciding what policy we shall follow, when any policy we determine upon may be overridden and much larger amounts spent by a board over which we have no control. I submit that the position taken by the Minister of Railways (Mr. Graham) the other day is quite indefensible. He laid it down as the policy of the government that this House should not interfere with the details of railway management. I submit that this is not one of the details of railway management. If the railway company embarks upon an immigration policy it seems to me it is high time we should understand that such a matter in all its details should come under the purview of this House.

It is not my purpose to go into any detail in considering what part of the responsibility for unemployment should be borne by the municipal, by the provincial, or by the federal authorities. That ought to be a matter of arrangement. But there are two factors which are very largely responsible for unemployment. First, financial policy of the government, and second, immigration. Perhaps, after the speech of the Prime Minister (Mr. Mackenzie King) the other day, I should add, ocean freight rates—I am not going into that matter. But in any case the federal government is definitely responsible for all these three. Under these conditions it is absolutely unfair to unload on the provinces or on the municipalities, the responsibility for immigrants who are unemployed shortly after their arrival in this country.

Why should the government refuse to accept responsibility for the effects of its own policies? That is a question which ought to be answered. If the government accept my motion it seems to me they would be simply showing their sincerity and good faith by admitting that if we bring people to this country, and those people are out of work within two years, the least we can do is to take care of them. I would not venture to suggest what form this care should take. Personally I think we might very well hold the railway companies responsible for that care, because even more than the federal government the railways are responsible for the propaganda that brings these immigrants here. In any case the responsibility for these new immigrants who are unemployed is placed directly with the government.

[Mr. Woodsworth.]

At the present time and for some time past we have had this question of unemployment tossed backward and forward between the provincial and federal authorities, and in the meantime the people themselves have suffered and are suffering to-day. I wish we in this House could sometimes get away—I have said it before now—from our statistics and from our thought of general policies, to picture to ourselves what unemployment really means—the discouraged men and the broken home, the under-privileged and in many cases under-nourished children. Surely we cannot go on indifferent to matters of this kind. So I would ask that even if the government are determined that the general matter of unemployment is not a federal concern; even if they are determined—and I do not acquiesce at all in that point of view—that they will not give relief but will leave that all to the provinces, I would urge that the least the government can do is to assume this little bit of the unemployment responsibility and care for the immigrants for two years after their arrival in this country.

Mr. PIUS MICHAUD (Restigouche and Madawaska): Mr. Speaker, there is no doubt that we need a larger population in Canada. There is a class of people that I know would be willing to come back to Canada if they could afford to do so; I refer to our Canadian-born who are now in the United States. These people would not require to be maintained or supported by the Dominion government, by the provincial government or by any cities or municipalities. Since 1911 a great many of our Canadian people have gone to the United States in the hope of finding better conditions, but I am informed that after a few years' experience in that country they would be willing to return if the conditions were favourable. I am aware that the federal government have done a good deal to try to get these people to come back, but I would urge upon the Minister of Immigration (Mr. Robb) that he renew his efforts in that direction. Those of our Canadians who are willing to come back from the United States are familiar with our laws, usages and customs; they have had the experience of earning their living in this country. They are fishermen, farmers' sons, men who have worked in the woods or in saw mills, and this class of men will not be a burden to the country.

It is not my intention to make any extended remarks on this subject, but I submit this is the class of people we should first look after. If immigrants from foreign

countries prove to be a burden then I hope we will not have too many. On the other hand I understand that the government has lately been making a careful choice of the immigrants coming into Canada, and I must congratulate them upon taking that step. In the past there has been a tendency to allow people to come into this country who could not become good Canadian citizens. I hope the minister will see to it that larger numbers of our Canadians who went to the United States will come back to Canada in the near future.

Mr. GOOD: What inducements, does my hon. friend suggest, should be held out to the Canadians who have gone to the States?

Mr. MICHAUD: Whatever money we would spend to bring foreigners to this country, we should first spend to bring our Canadian-born back from the United States.

Mr. SPENCER: In what way would the hon. member have the money spent?

Mr. MICHAUD: In different ways. In the first place I would suggest that their travelling expenses back to Canada should be paid. These people should be induced to go on the farms and not to the cities. In order to induce them to go on the farms we should adopt the policy of the province of Quebec where the government has to-day opened up the forest for settlers. The government is opening up little farms, putting up small houses, building barns, and clearing a few acres of land. They invite these people to come and settle down in the province. A part of that forest which has been opened to the settlers possesses a valuable resource in the form of lumber. A settler full of health and ambition is not afraid to go into the forest, chop down trees which he can sell as pulpwood or for manufacture into pulp, lumber or other products. The policy adopted in Quebec gives a great inducement to these men to come there. In the last few months this policy has been made known to a great many Canadian subjects who are now in the United States, and many of these people have accepted the invitation of the province and have come back to their homeland, and are good settlers.

Mr. H. C. HOCKEN (West Toronto): If there is any one phase of immigration that this government and the preceding government has carried on with energy, it has been the attempt to repatriate the French Canadian. If that policy has not succeeded up to the present time, I do not think there can be very much hope for success in the future. In the last ten years large sums of money have been spent to encourage colonization. Many people, mostly ecclesiastics, have gone to the New England states in order to personally endeavour to persuade those who have left Quebec to come back. They have offered them all kinds of inducements in the shape of farms in the province of Ontario and other places. If all these endeavours have not brought results, I do not think there can be very much hope for that particular kind of immigration in the future. My hon. friend from Restigouche and Madawaska (Mr. Michaud) says they are coming back and glad to get back, and that the province of Quebec is providing ready-made farms for them. My information is that they are not coming back in very large numbers, and judging from the statement of my hon. friend, they cannot afford to come back; they must have their fares paid. Perhaps they will ask for a return ticket. In that case they might come back, have a holiday in the village, and if they did not like it any better they could go away again.

Mr. MICHAUD: With reference to the settlers who come back to Canada, not only to the province of Quebec, but also to the province of New Brunswick, where I live, I would suggest that their travelling expenses should be paid, and they should not have a return ticket. They never had any return tickets, I am informed, and the suggestions from my hon. friends are not called for.

Mr. HOCKEN: This resolution presented by the hon. member for Centre Winnipeg (Mr. Woodsworth) is to my mind a most extraordinary proposal. I think we must assume that he anticipates unemployment as a permanent condition in Canada. He does not see any hope of relief from unemployment. He does not foresee a time when the people of Canada will all be employed. I know that there will always be some unemployment, but evidently my hon. friend anticipates that the condition that exists at the present time must be provided for by legislation continuously. I would be very sorry to have such an idea as that about our country. The conditions would be desperate indeed if we had at this time to provide for the maintenance of men who come into this country at least during the first three years of their residence here.

Mr. WOODSWORTH: Are there not already arrangements that an immigrant who is unsuitable in certain respects may be returned by the transportation company? And are there

not also provisions that the immigrant, no matter how long he is in this country, who labours under certain difficulties, may be deported at the will of the Immigration department? It is not a new idea that an indigent immigrant should be cared for.

Mr. HOCKEN: I think the maintenance of every person who comes into this country and does not get employment for two years is a new thing, and would have an effect which my hon. friend does not anticipate. Why should not the native-born citizen who cannot get work be maintained? Why should the man who has just come here be supported by the state because he cannot get work, and the man who is born in this country and unable to find work be compelled to make a living by some other means? Such an arrangement would discriminate against the native-born. Perhaps a little more may be expected of the men born in this country, but I do not think a solution for the unemployment is to be found in the direction my hon. friend suggests, and I do not think his resolution could be put into effect. I want to give my hon. friend credit for the motives which prompt him to make his proposal. I think we all have the deepest sympathy for the man who is willing to work and unable to find work. Perhaps those who have been through that experience would have more sympathy than any others. But, it is a desperate state of affairs for a man and for his family, when he is strong, willing and able to work, yet cannot find employment. What I think is needed, Mr. Speaker, in a new country like Canada is a national policy that will provide work instead of paying doles in the shape of maintenance. I hope the time will never come in Canada when we will pay doles, and certainly to begin now and take a considerable sum of money annually from the federal treasury to maintain men who are out of work—and I submit it could not be confined to men who have just entered the country—would create an additional tax upon industry, and thus still further depress conditions and postpone the day when there will be employment for all the citizens of Canada. This government has refused to accept any responsibility for unemployment. They will not relieve distress. They say that is the burden of the municipalities. When the unemployed march down here from Toronto and make their request, this government says, "We cannot do anything. Here is the British North America Act. If you can get anything out of that, why, feed on it, but we will take no further responsibility. That must come from the municipalities and private charities." Of course, private charity means that these men are put in the position of mendicants, and that is most dangerous for this or any other country. The development of the mendicant spirit is one of the bad features of the dole system, and I hope the time will not come in this country when men will be able to look forward to maintenance whether they work or not. You keep a man who is unable to obtain employment for a certain period until he loses more or less all his self-respect, then he is willing to take dole for the rest of his natural life. A trade policy such as we have to-day in Canada, which closes factories, produces the unemployment that exists in Canada. It is not so much the reduction of duties, not so much what is being done, as the threat of what is going to be done; with responsible ministers standing in their place and telling us that this is "the death knell of protection."

Mr. FORKE: Terrible!

Mr. HOCKEN: It is terrible. My hon. friend may use that word seriously, because the effect of it is to prevent capital from opening up new avenues of employment. Nothing can be worse in this country than that. What was the effect of the declarations from the other side of the House during last session? It was the curtailment of many extensions that otherwise would have taken place. It made capital fearful, and it has prevented many from going on with enterprises because they did not know what next would come from this government's policy.

Mr. SHAW: Presuming that my hon. friend's statement is correct, would the assurance of the Prime Minister, given, I think, at Toronto, that there was going to be no further interference with the tariff, not somewhat abate the feeling which my hon. friend suggests?

Mr. HOCKEN: I might remind my hon. friend that in 1919 the Prime Minister adopted a platform for his party or his party adopted a platform for him. Immediately afterwards, he went around this country telling the leaders of industry that that did not matter at all; that they were not going to put it into effect. The hon. member for St. Lawrence-St. George (Mr. Marler) stated that on the floor of this House. While that stood, things were not so bad in this country. My hon. friend will remember that, following the platform which was adopted in 1919 declaring for free trade, assurances were given that free trade would not be introduced; that the manufac-

turers would be perfectly satisfied. Following that again came the reduction and the threats that were made by the different ministers of the crown. After those threats were made, unemployment began to be serious in Canada. That unemployment has continued, and I am afraid it will continue. What is worse than men being brought out here who find themselves unemployed for a period, is the fact that tens of thousands, yes, hundreds of thousands of the native-born of this country, people born here, educated here, who have learned a trade or profession, by the time they are ready to work, have to go over the border to get employment. Conditions in Canada to-day are just what they were in 1876, 1877 and 1878.

Mr. SPENCER: Are they not somewhat similar to what they were in 1913 before this government began to tinker with the tariff?

Mr. HOCKEN: If my hon. friend lived in a city, in any centre of population, he would know that would be a perfectly silly question to ask. Unemployment in 1913 was not a fraction of what it is to-day, and unemployment that existed in 1913 was due to a depression in the United States as much as to any depression in Canada. That depression began over there, but what is happening now is that our neighbours are prosperous while we are in a state of depression.

Mr. JOHNSTON: My hon. friend speaks about unemployment in 1912 and 1913 being less severe than it is at the present time. The winter of 1912-13 was the only time when we had bread lines in the province from which I come.

Mr. HOCKEN: In 1912-13, I was personally responsible for the relief of anything in the shape of unemployment in one of the principal cities in this country. I was as close up against it as I am to my friend here, the hon. member for Strathcona (Mr. Warner), and I can assure my hon. friend that there was nothing at all to be compared with conditions that exist to-day. We had no bread lines in the city of Toronto. The House of Industry was not spending more than twenty-five per cent of what it is spending to-day in the relief of distress. We did not have missions throughout the city as there are to-day providing soup and meals for the unemployed and those who are hungry. There is one there conducted by a French-Canadian evangelist where they are feeding from one to three hundred men every night. That is going on now.

Mr. IRVINE: Did you have any donations from Russia in 1913 for the unemployed?

Mr. HOCKEN: I cannot recall any donations from Russia in 1913, but I can assure my hon. friend that conditions in 1913 are not to be compared with conditions to-day. Conditions to-day are twenty, yes a hundred, times worse than they were then.

Mr. SHAW: My hon. friend suggests that serious threats on this citadel of protection were the cause of much unemployment. I should like to know, as a matter of interest, where these serious threats came from.

Mr. HOCKEN: The first one came from the Prime Minister himself, but the most striking one came from the Minister of the Interior (Mr. Stewart). Then we had a very elegantly phrased one from the Minister of Agriculture (Mr. Motherwell).

Mr. IRVINE: Does my hon. friend really take them seriously?

Mr. HOCKEN: It would not matter so much about my taking them so seriously, but capital generally has taken them seriously. That is the point to which I direct the attention of the House. Almost from the day that these threats were made from that side of the House, there has been a tightening up of capital, a curtailment of industry and an increase of unemployment. My hon. friends may smile, but there is the fact and it cannot be controverted. Conditions to-day are worse than they have been in this Dominion to my knowledge since 1876.

Mr. STEWART (Argenteuil): I will take issue with my hon. friend there. I think my hon. friend was living in Toronto in 1891, 1892 and 1893, and he will remember if he thinks back, the procession of workmen carrying the black flag. He will also remember that a great portion of the city of Toronto, a very large portion of Parkdale was uninhabited at all. If conditions are as bad in Toronto to-day, I would like to know it.

Mr. HOCKEN: My hon. friend has raised a question that needs some explanation. He tells about the hard times that existed in Toronto in 1891. I can tell him the reasons very largely for that. From 1885 to 1890 there had been the wildest and craziest land speculation boom that ever took place in any part of this Dominion. By 1891 the bubble burst, and men who thought they were worth half a million or a million dollars were in poverty. When they had to meet their covenants they were completely insolvent.

Mr. STEWART (Argenteuil): Will my hon. friend not also admit that that was the period during which Canada enjoyed the highest protection?

Mr. MEIGHEN: I lived in Toronto at that time and I never saw that procession.

Mr. STEWART (Argenteuil): I did not live in Toronto. I happened to be there and I saw the procession take place.

Mr. MEIGHEN: Likely it was a funeral.

Mr. STEWART (Argenteuil): It was not a funeral. It was a funeral for some poor people, but my hon. friend will not deny it because he knows it very well.

Mr. HOCKEN: I can explain and describe it to my hon. friend. I remember 1891 and the processions that took place then were composed of, perhaps, a hundred or a hundred and fifty persons.

Mr. STEWART: No.

Mr. HOCKEN: I cannot remember any very large one. I will tell my hon. friend something else. The man who organized those processions under the black flag was offered a position to work on the building of the city hall. He would not take the work, and when that fact was published, we had no more carrying of black flags or processions. I happen to know that because at that time I was a reporter of the city hall, and it was my duty to describe those processions, to go over all the facts as to who organized them, what they were for and all the rest of it. They were organized by two or three men who did not want to work. That is proved by the fact that when work was offered they would not take it.

Mr. STEWART (Argenteuil): In all probability we shall be given an opportunity in the debate on the budget to rehearse some old history. I can tell my hon. friend that at the same time in the town of Barrie, Ontario, where I was living, mechanics came all the way from New Brunswick without being able to obtain employment. I do not want my hon. friend to evade the main question—that this was the period when we enjoyed the highest protection we ever had.

Mr. MEIGHEN: Does the hon. member propose to toll the bell for the death of protection in the coming debate?

Mr. STEWART (Argenteuil): I will toll the bell of protection when the time comes.

Mr. MEIGHEN: My guess is that he won't.

[Mr. Hocken.]

Mr. STEWART (Argenteuil): My right hon. friend used the bell vigorously in Montreal and St Antoine; he used it in Hastings.

Mr. MEIGHEN: The hon. member's friends did not use the bell; it was something a lot more filthy.

Mr. DEPUTY SPEAKER: Order. The hon. member for West Toronto (Mr. Hocken) is supposed to have the floor.

Mr. HOCKEN: I am always ready to give way to the Minister of the Interior.

Mr. STEWART (Argenteuil): Thank you.

Mr. HOCKEN: I have no more to say than this, that instead of the government preparing to pay out doles to men out of work it is the duty of parliament to provide work. I do not gather from that poster that men are being brought in to go into the cities; those who come in response to the poster are coming to do farming. And that is the best kind of immigration we can have, because we have lots of land in Ontario, thousands of farms that can be purchased for very much less than they are worth, including the buildings on them. This is due to the fact that the farmers have grown old and their children have gone away, so that they are unable any longer to work the land. There are thousands of farms in Ontario in that state which can be purchased for a great deal less than they are really worth, and these would be ideal places for immigrants to settle in. I say therefore that it is the duty of the government to make such arrangements as will make it possible for these men coming out with a knowledge of agriculture to go on the farms of Ontario. But I am opposed to any principle of paying maintenance money to men who come to this country. It is better a thousand times for the government to enter upon some extensive works to give them employment than to begin to turn them against work as soon as they get here.

Mr. ROBERT FORKE (Brandon): I did not intend to speak in this debate but a few remarks have been made upon which I feel obliged to make some observations. I recognize the sincerity of the mover of this resolution and I know that he wishes well in regard to this great question of unemployment. I have also listened to the remarks of the hon. member for West Toronto (Mr. Hocken), and I must say that I always feel disappointed that, in these trying times when so many difficult questions face us and when conditions are so troublesome, our friends to the right,

whose ability I would not question for a moment, have no other solution to offer us than the one panacea of higher protection.

Mr. MANION: What solution do you offer?

Mr. FORKE: Perhaps I should admit that I have no great solution to offer.

Mr. MANION: Then why criticize us?

Mr. FORKE: Have patience. I do not feel called upon to propose any solution irrespective of whether or not I am sure it is going to benefit us, simply because it happens to be the god that I have always worshipped in days gone by. As regards the steamship companies, I have a little experience gained a number of years ago in the way of getting immigration into Canada. I do not know what system the government follows, but I do think that if the Canadian government has an agent associated with any steamship company it should discontinue that policy. The government cannot interfere or find fault with propaganda issued by the steamship companies, but if there is a steamship company's agent who is also an agent for the Canadian government, then the government has some responsibility in the matter. The government has a responsibility so far as immigrants are concerned after they have come to Canada, but the steamship companies have none; consequently the companies want nothing but a certain amount of passenger traffic to make their business a paying proposition.

In connection with the class of immigrants that come to the country, we have heard a good deal about unemployment, and I take it that we all agree that this is deplorable. No one cares to hear of destitution or hard times or suffering on the part of women and children, or of men, for that matter. And we are up against a situation that calls for the most serious consideration. To begin with, ours is a large country, one that has room for an immense population. The country is traversed by railways; and as I mentioned not long ago our house in Canada is too large for us; its furnishings are too expensive and we cannot pay the rent. That is the condition we are in to-day. Are we going to sit idly by and do nothing? There is unemployment in Toronto, in Winnipeg and in the other larger cities, and are we to sit down and do nothing to provide work for these people, at the same time getting more immigrants into the country? I would point out that there has never been unemployment in the agricultural districts of Canada.

Mr. CARROLL: Will the hon. member mention any time in the history of this country when there was no unemployment in the large cities?

Mr. FORKE: I was going to say a few words on that.

Mr. WOODSWORTH: Is it not true that a very large number of the unemployed in the cities during the winter have been employed out on the farms in the summer until the land was frozen? Do they not work up to the harvest and then drift to the cities?

Mr. FORKE: That may be true to some extent, but I do not think that things are always what they are made out to be in this regard. I can only speak for one province, where I know men have been able to get good wages all summer. They have a large amount of money when the cold weather comes and they drift into the cities, and owing to the attractions of city life that money soon disappears after they have got there. They then become a burden on the city.

A good deal has been said about the industrial system, and it is my belief that its operations are responsible for a large amount of unemployment in Canada. If you foster industry by artificial means you are likely to have unemployment; if you could make all the factories of Canada really prosperous by such means, so that you could have more of them established, I believe the same question of unemployment would come up again. Let me tell the hon. member for West Toronto (Mr. Hocken) that the question is not one of production but of consumption. Canada can produce twice as much as the people of Canada can buy to-day. But under our present system we are unable to compete in the outside markets anywhere with our industrial products and consequently we must look to the home market to dispose of them. Our industries have been developed to such an extent that they can produce much more than the people can buy, and therefore the unemployment situation is inevitable. It is a vicious circle; however I have no doubt that my hon. friend from West Toronto is sincere in his belief that, if protection were given all these industries, the people would immediately be in a position to buy all that was produced.

Mr. HOCKEN: We are buying too much from the United States.

Mr. FORKE: I do not say they are buying too much. People are buying what they can afford to buy. The buying power of the

people, more especially of the agricultural community, has been reduced to such an extent that they are unable to purchase the goods they would purchase if conditions had been as prosperous as they had reason to expect. I claim, Mr. Speaker, that the great problem—it has been repeated again and again in this House, and it cannot be repeated too often—the great problem we have to-day is an agricultural problem, and that when we have solved it we shall find that our industrial problem will be to a large extent solved as well. My hon. friend from West Toronto (Mr. Hocken) says that we buy too much from the United States. Again I come back to the question—of course I know some of the arguments that will be advanced—why is it we cannot get Canadian goods that we are so anxious and willing to purchase? Why is it they cost so much more than similar goods coming from the United States? There must be some reason, and one is that Canada has been made one of the dearest countries of the world in which to live in. Consequently you find the cost of production gets so high that the product cannot be sold to compete with the similar product of other countries.

Mr. LADNER: Will the hon. member explain why goods are so cheap in the States?

Mr. HANSON: —a more highly protected country?

Mr. FORKE: My friends always get back to that cry, "A more highly protected country." The idea that is being promulgated in the States at the present time is, "America for the Americans." They are getting tired of Europe and all its troubles, and they are going to build a ring around the United States of America and protect agriculture, they are going to bring everything up to a certain level and forget all about the troubles and miseries of the outside world while they live in complete happiness themselves. Now, Mr. Speaker, that is not such a dream as it may appear to be on the surface.

Mr. MEIGHEN: Hear, hear.

Mr. FORKE: My right hon. friend says, "hear, hear." Such a policy may be possible in the United States, a country of immense distances and possessing a climate so varied that the soil is capable of producing everything necessary for the life of mankind even under the advanced civilization of to-day. But what are the circumstances in Canada? We are a debtor nation, we have a large indebtedness to Great Britain and other foreign countries—

[Mr. Forke.]

Mr. HOCKEN: Do you call Great Britain a foreign country?

Mr. FORKE: I said Great Britain and foreign countries.

Mr. HOCKEN: You said Great Britain and "other" foreign countries.

Mr. FORKE: That is a slip of the tongue. My hon. friend from West Toronto will never have to blame me for lack of love of my Motherland. But the right hon. leader of the opposition (Mr. Meighen) in the course of his speech on the Address pointed out that we had interest to pay to Great Britain and foreign countries to the amount of $300,000,000. How are we going to pay that immense sum every year unless we are able to sell our products to other countries? Now, the United States is in an entirely different position; and when you begin to compare Canada with the United States the comparison is useless because the conditions are not parallel. A policy that would work well in the United States would be entirely unworkable in the Dominion.

5 p.m.

But I am getting away a little from what I intended to say. There are two sides to this question, and I should like to meet them fairly and squarely. I am just as anxious as the hon. member for West Toronto not to see any unemployment, any hard times, but to have everyone prosperous and happy in this Dominion. I think we are all agreed upon that. The only trouble is, we cannot see eye to eye as to what remedy should be applied to bring about this desirable state of affairs.

Mr. MEIGHEN: Will my hon. friend explain how the United States ceased to be a debtor nation? He will admit that not many years ago it was not a creditor nation.

Mr. FORKE: The war was largely responsible for the United States getting out of debt.

Mr. MEIGHEN: They were out of debt before the war.

Mr. FORKE: Even supposing they were, their soil produces almost everything that its people require. The United States is not in the same position as Canada is to-day.

Mr. MEIGHEN: It is.

Mr. FORKE: They are the largest free trade area in the world.

Mr. MEIGHEN: They are no bigger than we are. We are just as big.

Mr. FORKE: We are in an entirely different position.

Mr. MEIGHEN: We have not so many people.

Mr. FORKE: If each state had been independent and had erected a tariff wall against its neighbour, does my right hon. friend say that the United States would be as prosperous a country as it is to-day?

Mr. MEIGHEN: Such a thing would be nonsense. Why in the world would a country have a tariff within its own borders? It does not matter where the business is done so long as it is done. The difference would be this, there would be a wider distribution of what the United States now has over the different states, but it would be accompanied by some expense, and I do not think it would be wise. If the hon. member will give us what the United States has we will be satisfied.

Mr. FORKE: I do not exactly follow my right hon. friend's argument.

Mr. MEIGHEN: Give us the kind of "free trade" they have and we will be satisfied.

Mr. FORKE: They have free trade among themselves,—

Mr. MEIGHEN: So have we.

Mr. FORKE: —and if we were in exactly the same position probably we could get along as well as they have done, although I do not think their prosperity has come from protective principles—I do not admit it for one moment. There are a great many other reasons why the United States should be so prosperous without going into the field of protection.

Mr. MEIGHEN: There is one disciple left.

Mr. STEWART (Argenteuil): My right hon. friend is aware that last Saturday morning there appeared in the newspapers a statement that the American steel industry have had the worst year in the past five years; and they are a highly protected industry.

Mr. HOCKEN: How does that compare with Nova Scotia?

Mr. FORKE: We will have sufficient time later to discuss free trade versus protection, or low versus high tariffs. In fact I do not think the subject would have been introduced so largely had it not been for my hon. friend from West Toronto, whose favourite theme protection seems to be. I have no doubt he sincerely believes that all our troubles to-day follow from the so-called low tariff now in force. It is simply a difference of opinion, and I hope some day my hon. friend will get more light upon the subject.

Mr. HOCKEN: Hear, hear.

Mr. FORKE: We have a vast country sparsely settled, and yet we have unemployment. We are all anxiously seeking for the light. Listening to the stories which the hon. member for Centre Winnipeg (Mr. Woodsworth) has recited to the House, I have no doubt they are true. But only last night I picked up an Old Country newspaper in which I read a letter written by a family in Toronto to friends in Berwickshire, saying, "We have been out in this new country just twelve months, and we are very happy." Only recently I read in another Old Country paper a speech made by a farmer from Alberta while visiting a town in Berwickshire in which he painted a most glowing picture of the prosperity of the Alberta farmer. I have no doubt that what he said was true in his particular case. At the same time—and I have mentioned this before—I have heard stories of destitution and want on the western prairies, and I also have no doubt that those stories unfortunately are true. I am perfectly certain that two members from the western provinces could tell directly opposite stories of conditions in their respective districts and both would be speaking the truth. This is a fact which no one can deny. Circumstances during the years which are past and gone have been not what they ought to have been in this country. But, Mr. Speaker I do believe that we have reached the point where if we get the proper class of immigrants and proper conditions we are going to see better times so far as agriculture is concerned. I also realize that the government has no right to bring more immigrants into the country unless they are prepared to find places for them on their arrival.

I am not so sure about the federal government not being responsible for unemployment. So long as it pursues what may be termed a vigorous immigration policy I question very much as a matter of equity and justice whether it is right in asserting that it has nothing to do with unemployment. Were no new people being poured into the provinces under a federal immigration policy, I think the provincial and municipal authorities would be entirely responsible and would have to look after those unfortunate people who are out of work. I merely make this remark in passing.

I have watched the whole process of immigration into a new country, and no matter under what circumstances the immigration is

conducted you will always find pathos and humour and tragedy in the immigration of a people into a new land. I would urge upon the government that the greatest of care should be taken in the handling of the immigrants immediately after they have landed upon the shores of Canada, and to see that they get located where they can earn a living.

I was rather astonished at the figures given by the hon. member for Centre Winnipeg (Mr. Woodsworth) showing that only about one-third of the male immigrants to this country belong to the agricultural class. I am sorry to hear that, because I do believe that immigrants who are unfitted for agricultural work are going to be a liability on this country for a good many years to come, if they come here in any large numbers. I am perfectly aware of the fact that a good many immigrants who were quite unacquainted with agriculture have come to this country, and have in the long run made good; but these are the exceptions, and not the rule. So I would like to see great care taken in the placing of the immigrants after they come to our shores.

But we shall never solve this question until we have made agriculture prosperous, until we have established an equilibrium between the wages paid in agriculture and the wages paid in other callings; the wages should be on a parity. We sometimes hear about the high wages that are paid to agricultural labourers, but, Mr. Speaker, I am one of those who believe that agricultural labourers are not paid high enough wages; and that is the trouble. We speak about farm labourers, and sometimes the phrase is used as if farm "labourers" were not of the very highest order. But in these modern times the farm labourer on the modern farm, if he is efficient, must be a man of intelligence, he must have some ability in the handling of machinery, and be a fairly good all-round man. I think an efficient farm servant is entitled to be well paid. But conditions have been such in farming as not to allow the wages to be paid which ought to be paid for what might be called efficient farm help. If we could put farming upon a paying basis with other industries, then I think a great many of our difficulties would be solved.

Why do people leave the farm and go to the cities to swell the ranks of the unemployed? It is because there are periodically boom times in the cities, and because wages are higher there for the time being, and consequently the young men and the young women on the farms become dissatisfied and go to the cities. Then a slack time comes, and we have the whole story of unemployment over and over again. That brings me back to where I began. We shall never solve this question of unemployment until we have made the farm an attractive place to live, and until the remuneration there is equal to the industry and energy expended on the farm. I know a great many people think that agricultural people are selfish in always advocating this as a remedy for our difficulties in Canada; but I do not advocate it for a single minute from a selfish point of view; I do it because I honestly believe this is the solution of our problem.

I have repeated again and again in this House that I have no quarrel with our industrial people. I would like to see the factories in this country prosperous. I am just as sorry as the hon. member for West Toronto (Mr. Hocken) to see people idle in Toronto or in other manufacturing cities. But we should realize that the system we are following is economically unsound, and that to preach a little higher protection will never solve our problem. I want to tell the right hon. leader of the opposition (Mr. Meighen) that I am very much disappointed in him that, with his great ability he does nothing more to help us out of our difficulties than to preach this one doctrine of high protection.

Mr. MEIGHEN: You won't do what I do request.

Mr. FORKE: I think probably I have said enough. I have not thrown very much light on the problem, I know that very well; but at the same time I am perfectly well aware that this doctrine of high protection will not solve the problem. Nor do I believe the hon. member for Centre Winnipeg is altogether right when he would stop all immigration until we have our unemployment problem solved.

Mr. WOODSWORTH: Mr. Speaker, did I suggest anything of the kind? That is not contained in the resolution.

Mr. FORKE: I am sorry if I have misunderstood my hon. friend, but that was the impression I got in listening to his remarks. I believe that it is quite right to get immigrants provided they are of the right class, and provided they reach the places where they can earn a living. And that will not be in the city of Toronto or in any other large centre of population. A small percentage, of course, can always be absorbed in the great cities, but I believe that those who are there now should first be taken care of before we get more in to swell the popu-

lation of our cities. One of the great problems of modern times is the continual drift of population from the rural districts into our large cities. And how can this be stopped? I do not know. I only hope that under modern conditions of life in the rural districts, where we have now the car, the telephone, radio, and easier communication with the great centres, rural life will become more and more attractive and people will stay on the farm. That would help to solve our difficulties.

In conclusion, my heart and sympathy are with the new immigrant, because I know just about how he feels when he plants his foot on an unknown shore.

Mr. JOHN PRITCHARD (North Wellington): Mr. Speaker, this problem of wages seems to be one of the biggest problems that we have to grapple with to-day. If we were to follow the advice of our friends to the right, we would boost our industries and keep them running full time, and thereby get rid of the problem of unemployment; but I fail to see any sound reasoning in that suggestion. Provided that industry prospers, as my leader (Mr. Forke) has said, industry adds to industry, and under the system of protection of our industries, organized labour and organized capital are able to demand the rate of return that each of them wants for the service it performs. Then when in addition we add interest on the capital invested, what is the position in which we find ourselves? We find that the man who is working where he has not the benefit of organized labour drifts to the place where he will get big wages. This drains not only the rural communities, but other countries as well where the wages are lower. I fail to see how—even if you had a tariff so high that it would prohibit everything coming in, and prohibit men drifting to the places where conditions were not advantageous to the worker—you can prevent unemployment even if you give protection to the limit and develop industry to the limit.

I listened with interest to the hon. member for Centre Winnipeg (Mr. Woodsworth) advocating the cause of the worker. I have as much sympathy with the worker perhaps as any man in this House. I have been a worker practically all my life, and at manual labour, I might say. I have studied the prevailing conditions in this country. The hon. member for Centre Winnipeg referred to a poster that was being broadcast in the old land advertising conditions in Canada. I have employed help myself, and as he showed that poster my mind went back to the nineties when times were rather hard on the farm as well as in industry in Ontario. I remember hiring a man at that time, twenty-one years of age, and without a dollar in his pocket. He worked five years on our farm, three years for my father, and two for myself. That man to-day owns his home, and it is the equal of the one described in that poster. He has paid for his home, for his stock, chattels, farm and everything. And he did it all by honest labour; he has played the part of a good citizen. I will cite some other cases. It was my privilege some years ago to go to Onoway in the province of Alberta, about forty miles northwest of Edmonton. I had occasion to go ten miles from Onoway, out into a section where the roads were not built at that time, and what did I find when I got there? I found a man from the centre of London, England, who had hewn out a home for himself in that place. He had good buildings, a comfortable home, and he was clerk of the municipality. I was more than astonished that a man of his intelligence should pass over so much of this vast country and go to such an undesirable section to settle. I have another case in mind, that of a man with whom I am very intimately acquainted, who came from the heart of London at sixteen years of age in those early nineties; came to our section of the country where work was very hard to get even in the rural sections. In those days he worked at fifty cents a day or whatever he could get. To-day he has just as nice a farm as the one described in the poster that has been referred to. He went home, by the way, the early part of this winter on a visit to England. That man never got a dollar that he did not earn by his own hard work, yet when he came here, as he said himself, he did not know how to put a set of whiffle-trees together.

I claim, as someone has already remarked in this debate, that land is just as cheap in the older parts of Ontario as it is anywhere else in Canada, when we consider the value of the improvements. We have free-grant land to-day in Ontario in close proximity to churches, schools, railways, markets and everything else. Why is it, therefore, that men are going to the cities? Organized labour has made certain demands. They will work only eight hours a day and at a certain rate; they will only do so much work for so much money. The farmer has to compete in the markets of the world, and he has to work longer hours and harder for less pay. Last session, a little less than a year ago, there was a strike of letter carriers in the city of Toronto. They were then getting about $1,500 a year,

while mail carriers in the rural sections were getting only $600 a year, and at that time we were endeavouring to get a little more for them. In other words, the man in the city was getting two and a half times as much as the man in the country. Now why is that? Why is it that wages are high in the city while in the country even the government persists in paying men less than they pay those who work in the cities? That is a thing I cannot understand. Until these wages are made more uniform by the government and by everybody concerned, the drift city-ward will continue and we will have unemployment. If wages were made lower in the city, in the governmental departments—even in the civil service—results would be beneficial so far as the movement to the city is concerned. Those in the civil service think they are not getting enough, but I claim that if the salaries paid by the government were lowered a little bit you would find less of a stampede from the rural sections and you would not have the competition of the bright, brainy boys and girls from the country who come into the cities and take up some of the best positions in the gift of the government. Moreover, many of those who love farming would stay on the farm; they now come to the city because of the mere pittance they get for their labours in the country. We want to make the conditions more difficult in the cities; we want to make them less attractive. Remuneration for work in the country must be made at least equal to wages paid in the city, otherwise we cannot hope to hold our people on the farms; we cannot hope to have a prosperous country or accomplish all that we should accomplish. It is right that industries should prosper, but they can only go so far when they have to call a halt and the agricultural sections of the country have to take the lead. So I say that if we are to have any real national prosperity we will have to bring about a reversal of the present conditions; those engaged in agriculture will have to get a little more for their labour, and employment in the cities will have to be made a little less attractive.

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, allow me first to say that I believe the hon. member who introduced the resolution (Mr. Woodsworth) is sincere in doing so and that undoubtedly he shows a very great interest in the working men of this country. Though I cannot agree with some of his conclusions, at the same time I am sure he deserves the gratitude of the unemployed in this country for the interest he takes on their behalf. I cannot support the resolution myself, because I can hardly see how you could provide a living for unemployed immigrants while you allowed our own Canadian unemployed to go without similar assistance. Practically the same argument was put up by the hon. member for West Toronto (Mr. Hocken) who spoke a little while ago. However, the resolution does bring before the House and the country the present conditions in Canada and shows the need for deep thought on the part of us all with regard to the solving of the problem.

Mr. MEIGHEN: There is this difference: that the native-born Canadian who is unemployed can go to the United States, but the poor fellow who is an immigrant cannot get through.

Mr. MANION: Well, unfortunately, in addition to the Canadian-born people who are going to the United States I happen to know that a number of the others are going also; they are both going out of the country at the present time.

It is rather interesting to sit here this afternoon and listen to various hon. members in different parts of the House describe the conditions as they exist in Canada. When my right hon. leader (Mr. Meighen), in moderate terms, described those conditions he was accused of being nothing but a pessimist; and when in my remarks on the Address I took the same attitude, pointed out exactly the conditions which we all know to exist, many of the Liberal papers and a number of Liberal speakers accused me of simply talking pessimism. But the country generally knows that these conditions exist and is crying for some remedy.

I consider the conditions worse than they have ever been so far back as my memory goes, and I have been taking an interest in business affairs in Canada, in the conditions of unemployment and business generally, for at least twenty-five years. I certainly have never known the conditions to equal those in Canada at present—the conditions of unemployment, of depression, and of exodus from the country. The very fact that last year, in October, a month when business and employment are usually at their best, fifty mayors of Ontario waited upon the provincial premier asking him for help on account of the unemployment or the threatened unemployment for the ensuing winter—that is something that never occurred before in the history of Canada so far as my memory carries me, and even so far as my knowledge of history carries me. So there is no doubt

that unemployment conditions are severe. There is also no doubt that there is no use bringing into this country labourers, at any rate of the ordinary kind, labourers who intend to work in the cities, to take up employment in industrial plants. It is true we may still continue to bring in—and I think we should do so—as many of those who are willing to go upon farms as it is possible to bring in and as it is possible to place upon the land.

May I say in regard to the remarks of the hon. member for Restigouche and Madawaska (Mr. Michaud) as to the bringing back to this country of the French Canadians who have gone to the United States, that I at least—and I believe I speak for the larger number of Canadians—would be only too happy to see those French Canadians who left the country brought back once more to take their place as good and useful citizens of this country.

But at the present time there is no use in attempting it, because there is no work for them any more than there is work for any other labourers who wish to come back. So far as it is possible to put them on the land they certainly should be brought back, but there is no use at the present time bringing into the industrial centres of the country either French Canadians or any other class of people who cannot get work, and who would consequently have to join the ranks of the unemployed.

What a tragedy it is, when one considers the immense area of the country;—Canada has an area greater than that of the United States, a country with a population of a hundred and ten million, Canada has twice the area of the whole of Europe, if you leave out Russia, yet in that part of Europe there are three hundred million people; and we have in double the area only nine million people! And when you consider all our magnificent resources, our millions of acres of fertile land and all the other resources of which we speak, what a tragedy it is that to-day, in this House of Commons of Canada, we are debating what can be done for the unemployed—for that is the basis of the resolution. It is certainly a terrible condition, in a new country with such possibilities and such potentialities, to be spending the time of the House of Commons wondering how we can help the terrible conditions of unemployment that exist. In spite of the criticisms of my hon. friend the member for Brandon (Mr. Forke) and the other hon. members who take the same attitude, I submit, after serious thought, that the chief cause of the depressed industrial conditions in our country is the unstable tariff policy of the government. I submit that that is the chief cause of the depression in the cities. I do not contend it is causing depression in the prairie provinces. I go so far as to admit that in the prairie provinces they have very good reason, from their individual and sectional standpoint, for arguing for a lower tariff. There is no doubt they would gain to a certain extent, temporarily at least, under lower tariff. But there is also no doubt that in the industrial centres of the country, in cities such as Toronto, Hamilton, Peterborough, Galt and Paris in the provinces of Ontario, and Sherbrooke, Montreal, Three Rivers, Quebec and other cities in the province of Quebec, they absolutely require protection in order to carry on their industries. And there is no doubt that the farmers surrounding those cities absolutely need protection for the cities for the maintenance of the home market of which the hon. member for Brandon (Mr. Forke), the leader of the Progressive party, spoke a few moments ago. If you have not protection for the industries you simply allow the cheap labour of a Europe and the low standards of living of a Europe to be imported into Canada. Without that proper protection you cannot keep out their goods.

Mr. FORKE: Might I point out to my hon. friend that the people who have this low standard of living he speaks about are the people who have to buy our goods?

Mr. MANION: They have to buy our exports whether they have a low standard or not, but there is no reason why we should buy from them goods that will put out of business our industrial concerns.

Mr. FORKE: Just another question—

Mr. MANION: I know what your question will be before you ask it.

Mr. FORKE: My hon. friend has such a logical mind that he can tell what question I am going to ask him. How are we going to pay for the exports if we do not buy anything from them?

Mr. MANION: We not only import the goods we produce in this country, but we import a lot we do not produce. This government in the past negotiated a trade treaty with France, and in that trade treaty we have lowered the tariff, for example, on a lot of luxuries. We are being paid by importing a greater amount of luxuries into Canada for the goods we export to France. But as to the goods we can produce in this country, lines of production in which our industries have been developed, I submit, it is far better

to have a little more expensive article if necessary and keep our own people employed, than to force them to go to the United States, the most highly protected country in the world, to earn a living. That is what I believe is necessary—we must have a stable tariff policy. As the hon. member for West Toronto said, it has not been so much the cuts in the tariff, but the continual threatening of cuts, although the cuts of course have done harm. The threatening of the further cuts, the absolute uncertainty, and the instability resulting to the business interests of the country have made those business interests fearful of investing money in industrial plants, and fearful of extending the plants and giving work by producing goods in our country. If you cannot give that certainty of the home market at least to your industrial plants, you cannot keep those plants going.

Referring to the United Kingdom, at the present time we find that there is probably greater unemployment in free-trade Great Britain than there is in any other country in the world. There are worse conditions of unemployment and worse conditions of depression in free-trade Britain than in any other country of the world, so far as my reading teaches me. Not only that, but you find within the last few days in the press of Canada and the press of the world that the British ship-builders, who were the greatest ship-builders in the world, have been losing contracts for construction of ships, and these contracts have gone to the highly protected German ship-builders. The Germans, who are the most highly protected people in the world, are under-bidding the British shipyards and putting those industries out of work.

Mr. LAPOINTE: A poor argument.

Mr. FORKE: Suppose all the countries in the world had a high protective policy, what would the condition be?

Mr. MANION: That is what we have at present, except Canada—not only high protective policies, but they are raising them higher; Canada is the only country with a low protective policy except free-trade England.

Mr. FORKE: Are we in a worse position than the other countries?

Mr. MANION: Worse than any other protected country. I think the only other country in the same position is Great Britain with her free trade.

Mr. MOTHERWELL: We are having the budget debate a day ahead.

[Mr. Manion.]

Mr. KENNEDY (Edmonton): Does the hon. member contend, as between Great Britain and Germany for instance, Germany being a protected country and Britain not a protected country, that Britain was losing contracts to Germany on account of the tariff?

Mr. MANION: I know that long before the war had anything to do with conditions that exist to-day, England was losing her trade to Germany. I can cite ten of the important countries of Europe, the greatest of them was Russia, the others being Norway, Sweden, Denmark, Holland, Austria-Hungary, Roumania, Bulgaria, Italy and Switzerland—every one of which was buying more from protected Germany before the war than from England. Practically the only countries that were left to whom England was selling more than Germany was selling before the war were France, Spain, Portugal and one or two small countries. England was driven out of the market by protectionist Germany, and why? Because Germany under her protected system was producing just as cheaply and—

Mr. BROWN: Is this discussion not out of order? There is a resolution on the order paper by the right hon. leader of the opposition (Mr. Meighen) dealing with the whole matter of tariff.

Mr. MEIGHEN: They would not let me move it.

Mr. BROWN: The hon. gentleman may get a chance yet. The particular question is, how should the Dominion deal with unemployment?

Mr. MANION: I am telling my hon. friend that if we put in a proper protective stable tariff policy, then we will be able to deal with the unemployment situation.

Mr. LAPOINTE: Did my hon. friend not read in the newspapers the other day that Mr. Green, the President of the American Federation of Labour, said that there were twenty million men unemployed in the United States?

Mr. MANION: I doubt if there are twenty million artisans in the whole United States in ordinary times.

Mr. LAPOINTE: That is a statement of Mr. Green.

Mr. MEIGHEN: Either the newspaperman or Mr. Green must have been suffering from delirium tremens.

Mr. MANION: My hon. friend was not looking at that article with his usual clear

mind, because if he will think for a moment he will realize that there are probably not more than twenty million artisans in the United States.

Mr. LAPOINTE: It is the statement of Mr. Green.

Mr. MANION: If my hon. friend believes that statement, he had better read some other statement. As a matter of fact the United States has unemployment, and I do not mean to argue that under any policy in the world we will ever get rid of unemployment entirely. But never in the history of Canada, so far as I can go back—and I can go back in memory at least to the beginning of the century—have conditions been as severe as they are at the present time, and never, I believe from my reading, have such bad conditions existed, except during the period when we were under low tariff between 1873 and 1878. While I am not arguing for a fence around the country to keep out goods, and while I go so far to say that when any manufacturer is taking an unfair advantage of the tariff, he should be penalized by having his protection wiped out, we should have a stable tariff policy which will give confidence to the industries in this country and make them produce as they used to produce. Within reason we should have a protective policy, as they have in other countries, to hold our home market for our Canadian people. If we have that, we shall have much less unemployment than we have at the present time.

Hon. J. A. ROBB (Minister of Immigration and Colonization): Mr. Speaker, the resolution as presented by the hon. member for Centre Winnipeg (Mr. Woodsworth) reads:

That, in the opinion of this House, if at any time during the first two years after his arrival in Canada any immigrant is unable to obtain employment, the federal government should accept full responsibility for his maintenance.

Around that resolution hon. gentlemen have debated the question of unemployment, the keeping of immigrants out of this country, the advertising for immigrants that we do in other countries, and largely the tariff. That shows the impatience of my hon. friends opposite to debate the tariff question.

Mr. MANION: The tariff changes are the cause of the trouble.

Mr. ROBB: Both wings of the opposition seem to be anxious to have the tariff question debated.

Mr. MEIGHEN: There is only one opposition.

Mr. ROBB: The question of immigration has always been a live question in Canada and there is no reason why it should not be. We are all immigrants either directly or as descendants of immigrants, and in considering the question of immigration we should assume a more friendly attitude towards the incoming settler. I will admit that conditions in Canada to-day for the immigrant who is desirous to establish himself on the land are somewhat different from what they were when my good friend the leader of the Progressive party (Mr. Forke) came to Canada. But I do not think at that time the government of Canada were under any obligation or made any commitments towards taking care of my hon. friend upon his arrival in Canada beyond advertising, as we did advertise in different countries of the world and in eastern Canada, that we had 160 acres of free land to give to any man who was ready to go on and develop the land. Much has been said this afternoon about the obligations of the Dominion in cutting out advertisements that are somewhat coloured. But hon. members must remember that it is not only the Department of Immigration of the Dominion that is advertising, particularly in the United Kingdom, for immigrants. The province of Ontario has a very complete immigration organization operating in the United Kingdom and some of the other provinces have organizations. We have an arrangement with most of the provinces, co-operating with them for immigration, and notwithstanding the arguments advanced to-day by the hon. member for Centre Winnipeg, we have requests from those provinces for more and still more immigrants to go on the land. It may surprise the hon. member for Fort William and Rainy River (Mr. Manion) to learn that I hold in my hand a letter dated the 8th December, 1924, from the Fort William Board of Trade, asking this government to see what we can do to send some immigrants to settle in the Fort William section of the north country.

Mr. MANION: I suggested that too.

Mr. ROBB: Why has my hon. friend gone back on that to-day and intimated—

Mr. MANION: I did not oppose immigration. Moreover, may I point out also that this government and previous governments have made the mistake of settling all immigrants in the prairie provinces and not in northern Ontario where we need immigration?

Mr. ROBB: I am glad my hon. friend is in favour of immigration. I have a letter from the Dysart, Saskatchewan, Board of Trade asking for immigration. I have not the records before me, but I am sure the hon. member for West Toronto (Mr. Hocken) will accept my word for it that I have in the department a resolution from the Toronto Board of Trade asking me to settle French-Canadians along the northern part of their province and pointing out that they are the most suitable people to settle there.

Mr. MANION: Has the minister yet received the resolution which the Great War Veterans' Association and the boards of trade and the city councils passed the other day as to the terrible conditions of unemployment that existed in the industrial centres of population in Fort William and Port Arthur?

Mr. ROBB: I have not that. It may be in the department. I was glad to hear the hon. member say that we would always have unemployment in this country. Particularly, we shall have unemployment in those cities that are tributary to the ocean, river and lake ports of Canada. Hon. gentlemen must remember that there are thousands, yes hundreds of thousands of people who find employment during the season of navigation, for instance sailors sailing on the boats. Among them are those who sail on vessels in the United States coastal service, but whose homes are in Canada. When navigation ceases in the fall they go back to their homes. In this way, you can always get up a parade of unemployed if you set out to undertake that particular job. This may sound somewhat contradictory, but I believe it is correct that the busier we are in the summer with navigation, the more traffic we have to move in the summer, the more unemployment will there be in the winter at those ocean ports, particularly those that are frozen up in the winter time, because there are hundreds of thousands of dock labourers who work at trimming the boats and so on. In that regard there always is some unemployment.

Mr. MEIGHEN: Does the hon. member say that there are hundreds of thousands of dock labourers in Canada at ports that are frozen up in the winter?

Mr. ROBB: Tens of thousands of dock labourers.

Mr. MEIGHEN: Tens of hundreds would be better.

Mr. ROBB: Has my hon. friend ever been along the docks at Montreal, Quebec, Toronto, Hamilton and Fort William?

[Mr. Manion.]

Mr. MEIGHEN: Yes.

Mr. ROBB: Let him ask his supporter behind him how many dock labourers there are around Fort William and Port Arthur moving grain and so on?

Mr. MEIGHEN: In getting my hon. friend down from hundreds of thousands to tens of thousands, I think I did pretty good work.

Mr. ROBB: My hon. friend retreated somewhat too.

Mr. HOCKEN: If these men are working all summer they will have enough saved up to tide them over the winter. They are not in distress.

Mr. ROBB: They are not, and for that reason, I contend there is not the unemployment or distress that has been represented throughout the country. I am not alone in that opinion. I think it was late in December or early in January I had occasion to sit in one day with a group of bankers of this country, gentlemen who are pretty well posted in the city of Montreal, and a man who is respected by everybody in this country, a prominent man, a man who never was recognized as a supporter of the Liberal party, but a man whose relatives were recognized as prominent supporters of the Conservative party, made the statement that he thought it was a crime upon our country, as he said, this overworking of the idea that there was unemployment in Canada. He said, "I am satisfied that here in the city of Montreal conditions are no worse than they have generally been from year to year." And he was most emphatic in the statement that these headlines in regard to unemployment were a calumny on the country.

Mr. IRVINE: Does the minister mean to say that he would rather take the word of a banker with regard to the unemployment situation in Canada than the word of organized labour throughout the country?

Mr. ROBB: I would rather take the word of that gentleman than of gentlemen who were organized for political purposes and who were interested in representing that there was unemployment throughout the country.

Mr. WOODSWORTH: Would the minister throw any doubt on the statistics from which I quoted, taken from the Bureau of Labour of the government of Manitoba, showing that this last year 11,304 persons were given relief at a cost of $180,790, and that this was considerably in excess of the amount spent the year before? I have the whole statement

which I could read giving the total. Does the minister say that these facts are drawn up for political purposes?

Mr. ROBB: I say that in these particular cities there is always unemployment to some extent.

Mr. SPENCER: I believe the minister was not here when the conference was held to inquire into the subject of unemployment. I would ask him whether the general opinion of that conference was similar to the opinion of the bankers to whom he has referred.

Mr. ROBB: That gathering was called by the department early in the year to lay down conditions so that there might be no misunderstanding as to where this government stood on the question of contributing to unemployment relief in the winter. Now, there is another gentleman who comes from western Canada and who is not opposed to immigration coming to this country. He is a pretty sane man and he does not lay down the proposition that we should provide, by any system of doles or unemployment insurance, for those who are out of work. I hold in my hand a copy of an address delivered on December 6 in Ottawa by the Hon. Herbert Greenfield, Premier of Alberta. He points out that his father had wanted him to be a tradesman but that he desired to be a farmer; and, coming to Canada, he has been and is recognized as a successful farmer. He lays down the principle that there are as good opportunities to-day for the man who wants to work as there were at the time he came.

Mr. IRVINE: What is the date of that report?

Mr. ROBB: It is an address delivered on December 6, 1924. Now, the government cannot accept this resolution as presented by the hon. member for Centre Winnipeg (Mr. Woodsworth). If it means anything at all it means that we are offering a premium to those who do not desire to work, and the men who are spoiled by doles in the Old Country would come here and expect the government to board them. This the government is opposed to, and speaking for the government I say that the resolution cannot be accepted.

Mr. L. J. LADNER (Vancouver South): In a portion of my constituency the problem of unemployment becomes acute every year; it has become a question, in the judgment of many people, of federal and national importance.

Mr. STEWART (Argenteuil): What time of year?

Mr. LADNER: About December, largely when the outdoor work in British Columbia closes down and the harvests of the prairies are reaped. At that time thousands of people come from the prairies into Vancouver and many settle down in the municipality of South Vancouver; and when the winter comes on we find, owing to the general conditions, a serious degree of unemployment.

Mr. FORKE: Is it not true that a large number of men come from Vancouver to the prairies to get work and take money back with them?

Mr. LADNER: Yes, but the trouble is that they do not take very much back; owing to difficulties of one kind and another. Through no fault either of their own or of the farmers, they have not much money left when they get through. They come into South Vancouver and it is exceedingly difficult for them to get along. There are men who come in response to such advertisements as hon. gentlemen have shown to the House; they move from one province to another, and finally end in the municipality. In British Columbia a large number of them find their way to South Vancouver. The result is that that municipality, burdened now with debt, has to shoulder a responsibility which really belongs to the federal government. This government advertises in all parts of Europe for people to come to Canada, and some of us hold that it is unfair to expect the responsibility for the hardships that ensue to rest on the municipal authorities. If these people are not helped by the municipalities they suffer conditions that are indescribable.

I commend the hon. member (Mr. Woodsworth) for having brought this resolution before the House. It is an important matter from the point of view of immigration and municipal administration, and it is of importance from the provincial standpoint as well. In British Columbia a large number of people who come into the municipalities find it impossible to obtain employment and they are naturally thrown upon the charitable institutions of that section of the country. There is one feature of the resolution which I do not exactly appreciate, if I interpret it correctly, and that is that the government should accept full responsibility for the maintenance of the immigrant in the sense of giving him money. It seems to me that if it means giving doles to the men, no hon. member will agree to it; I know for a fact that the worthy unemployed themselves would not agree to it, for they do not want doles but work.

Mr. WOODSWORTH: I agree with what the hon. member says, but my point is that if provision is not made for their employment they should not be left without some opportunity of securing maintenance.

Mr. LADNER: I am glad the hon. member makes that explanation. I think the resolution would be more commendable if he would embody in it words to the effect that work should be provided for such immigrants; because after all that is what they want. Now, the government of the day, not only in their pre-election promises but in one speech after another from the throne, have given undertakings to deal with immigration, with the tariff, with the railway problem, and so on, although in actual accomplishment—and I appeal to the judgment and the fairness of hon. members in this—they have not done very much in the last four years. When they deal with transportation, by restoring the Crowsnest pass agreement they unsettle and disturb the whole transportation system and create a confusion that is bad for the Dominion, and they still leave the problem unsolved. When they deal with the tariff, they introduce suggestions having a tendency to eliminate the protective system, and so disturb conditions that capital is frightened away, industry becomes timid, and the national welfare suffers. I see according to the predictions of the newspapers —and it is astonishing how accurate our journalists are in forecasting the plans of the government—the budget will contain proposals for raising the tariff on a number of commodities. How such proposals will appeal to hon. members on my left I shall be interested to know to-morrow.

As to unemployment, when the government took office there was an accepted responsibility on the part of the federal authorities for unemployment because it was considered a national problem arising to some extent out of the Great War. But this government on assuming office declared in breach of their primer promise that they would not deal with the unemployment question, and they gave as a reason that under the British North America Act it came under the jurisdiction of the provincial authorities. The provincial governments deny this responsibility, insisting that it is a national condition and arises to some extent out of war conditions, and that therefore the federal government must look after the unemployed. In the meantime our unemployed are suffering. I would ask the Acting Minister of Finance (Mr. Robb) to go through any of the poorer sections of our cities and see conditions for himself. He will then find that unemployment does exist and that many Canadians are suffering great hardship and privation. As a result of the inactivity of the federal authorities the suffering women and children of the unemployed have to be looked after by the municipal authorities and various charitable institutions. This is certainly not right when the responsibility is primarily upon the federal government, especially by reason of its immigration policy. I would suggest that before any more people are brought into this country to swell the ranks of the unemployed, the federal government should look after the destitute and suffering people already here.

It seems to me that one remedy for unemployment is the establishment of the sound principle of tariff protection I am sure hon. members to my left will dissent, but I believe my hon. friends opposite, although agreeing with me in their heart of hearts, would never have the courage to come forward and support such a proposal to relieve the present deplorable condition of affairs. I heard my hon. friend from Brandon (Mr. Forke), the leader of my friends to my left, remark this afternoon that protection is always brought into these discussions.

Some hon. MEMBERS: Hear, hear.

Mr. LADNER: Some hon. gentlemen say, "hear, hear." Well, Mr. Speaker, we introduce the protective idea into this and other discussions because we honestly believe that it is the only way of relieving the industrial and commerical stagnation which to-day afflicts the Dominion.

An hon. MEMBER: I wonder where you get that idea?

Mr. MEIGHEN: Don't laugh until to-morrow.

Mr. LADNER: When hon. friends to my left question the soundness of our views, and we refer them to the United States as an example of the benefits of a protective policy, they tell us that that country is entirely different from Canada. As a matter of fact there is only an imaginary line between the two countries, to a large extent they have similar geographical conditions, but while the population of the United States has grown to about 120,000,000 in the last 125 years, that of Canada has reached the meagre figure of only 9,000,000. Where is the explanation for this tremendous difference? It is not to be found altogether in immigration, because we know that the population of the United States has been augmented by immigration to the extent

of only 30 per cent, while 70 per cent is due to natural increase.

Mr. GARLAND: (Bow River): Is the hon. member under the delusion that we have not been applying the protective tariff for the past fifty years?

Mr. LADNER: No. The hon. member is himself under a delusion. The fact of the matter is we have not been under a real protective tariff, we have been under a very low tariff. Taking ten-year periods from 1870 to 1920, it will be found that the average duty on dutiable goods in the United States has been from 50 to 255 per cent higher than in Canada. It will also be found that wages have been higher in the United States and the cost of living lower than in Canada.

Mr. HOEY: Why was not the tariff increased then between 1911 and 1921?

Mr. MEIGHEN: It was.

Mr. LADNER: In my judgment the increase was not sufficient. The economic and political conditions in the country did not inspire the government of the day with sufficient courage to go ahead and make the increase which should have been made based on experience. It is regrettable that this government, through the Acting Minister of Finance, is unable to endorse the resolution of the hon. member for Centre Winnipeg, for it is a most important resolution, and in my view it should receive the earnest consideration of the government. I do not know whether we would be entitled—

Mr. BROWN: Is the hon. member in favour of the resolution or is he against it?

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. LADNER: At six o'clock the hon. member for Lisgar (Mr. Brown) had asked me the question whether or not I favoured the resolution under consideration, and I was just about to answer when the Speaker left the chair. The resolution as framed, and as one would understand it from its wording, would indicate that the federal government should provide doles or payments of money for the unemployed. The hon. member for Centre Winnipeg explained that that was not the intention at all, that the intention was to make proper provision for the unemployed by providing them with work or by establishing conditions in the country under which they could have work. On that interpretation of the resolution, I am in favour of it and would support it. The conditions in Canada are such that we cannot long continue to handle this unemployment question the way it has been dealt with since the present government took office.

Mr. GARLAND (Bow River): The last government too. They were just as much to blame.

Mr. LADNER: If the hon. member will recall, the last government appropriated large sums of money in an effort to assist in remedying unemployment conditions, and also, to their great credit, devised and used every means they could to get industries started in this country, and to have ships built in this country, and to have work provided for the people of this country rather than sending that work outside. In that respect the Conservative party has been consistent for the last seventy years. They have always endeavoured so to construct their economic policy that work would be provided for the people of this country, and that markets within this country would be provided for the consumption of our products before foreigners had an opportunity of taking them from us. I do not intend to engage in a dissertation on the protectionist idea, yet I am satisfied that a practical study of the question on this North American continent, faced as we are with the United States just across the line, will cause any hon. member to come to the conclusion that that policy is sound, and that it is the only one that will solve this unemployment question.

Mr. SPENCER: Does the hon. member include in that word "foreigners" Great Britain?

Mr. LADNER: I did not use the word in any opprobrious sense. We had a discussion in the House the other day whether the word "etranger" meant foreigner or stranger. By the word foreigner I mean somebody outside our gates, which, from an economic point of view, means everybody outside of Canada.

I want to draw the attention of the House to the fact that of the 590,000 men who enlisted to defend this country in the time of aggression on the part of Germany and her allies and who actually saved this country, the figures show that when they came to find a home in this country and claim their heritage and rights as Canadians, conditions were such that they were not able to earn a living here. Nearly 4,000 Canadian pensioners are now liv-

ing in the United States, and over 152,000 have been obliged to go to the United States to earn a living which they should have been able to earn at home in this country. Not only that, but we know perfectly well that, although the official figures show that some 182,000 people paid head tax, indicating their decision to make their residence in the United States, more like 350,000 people have gone to the United States during the past year—those are the figures which have been given me by responsible officials of the United States Immigration department—many people crossing to the United States have not had the money with which to pay the head tax. They have gone in by by-ways and side-ways, and passed through forests in order to gain admittance to the country to the south.

In the interval since six o'clock, I have got from my office a book which most hon. gentlemen I think should have before them on occasions like this. Extracts from this book have been read before in this House. It is called Industry and Humanity, and is written by the Prime Minister. Now if we consider his solemn and serious reflections before assuming his position as a political leader, if we consider his opinions as a student of political economy and economic conditions, we find that he had views very much along the lines of those advanced by the hon. member for Centre Winnipeg. At page 237 we find these words, I am not going to say that there is that precision and clarity which one would expect to find in his language, but on this particular occasion one can get an idea, at any rate as to the tendency of his mind:

> It is the fear of unemployment which lies at the root of most of the minor fears which labour entertain. The fear of unemployment is in reality the fear on the part of labour—

I would particularly draw the attention of hon. gentlemen opposite to these words:

> —that capital will not be provided to carry on industry continuously, and under conditions which will afford adequate remuneration to effort.

That is exactly the contention of this side of the House, that so disturbed are conditions in this country through the vacillation on the part of the government in dealing with the tariff that capital is apprehensive, and as any hon. gentleman who has consulted with those engaged in business or having investments in manufacturing industry knows, the one fear that capital has is that after having made an investment in some particular industry calculating that the tariff would remain where it is, they might suddenly find the tariff changed and their capital investment gone. Capital is something which walks very easily on its own legs from one country to another; you cannot hold it here, and the Prime Minister writing as an economist states very properly, capital will not be provided to carry on industry continuously and under conditions which will afford adequate remuneration to effort unless there is some prospect of stability.

Again, on page 346 of this book, there is another paragraph relating to unemployment. I have endeavoured to find all references in this book to unemployment. The book contains 548 pages, and all I have been able to find are two very short paragraphs, not more than ten or fifteen lines each. The other reads as follows:

> Insurance against unemployment recognizes that an isolated human being, not less than a machine, must be cared for when idle. It recognizes also that nothing is so dangerous to the standard of life, or so destructive of minimum conditions of healthy existence, as widespread or continued unemployment. Where idleness is the fault of the social order—

And I commend these words to hon. gentlemen opposite.

> —where idleness is the fault of the social order, rather than of the individual concerned, it places the onus on the state to safeguard its own assets, not more in the interests of the individual than in the interests of social well being.

If these words mean anything they mean, very largely, what is expressed in the resolution moved by the hon. member for Centre Winnipeg (Mr. Woodsworth): I do not know, Mr. Speaker, any example of a practical kind that better exemplifies the need of action on the part of the state than the trouble now prevailing in Nova Scotia. We have already had some discussion on that matter, but I commend to hon. members again the statement of the delegation which came here to interview the government in these words:

> At no previous time has employment been so scarce and insecure, the future so unpromising and the industrial community so discouraged, as at this date. Faced with a disappearing livelihood large numbers of skilled artisans may be forced to leave Nova Scotia unless relief is forthcoming.

I commend these words particularly to the Acting Minister of Finance (Mr. Robb) who in his remarks just before six o'clock said he found it difficult to detect unemployment in Canada. That delegation came to Ottawa not only to lay the complaint and the difficulties before the government but also to suggest a remedy. Now, what was the remedy suggested? An increase of duty upon slack coal, and a system of protection—for what purpose? To give employment to those who are out of work. It is all right for hon. members to discuss theories and to put forward hypothetical cases and then suggest a

solution, but in the world of affairs we must give consideration to actualities. Here is a concrete example of a bad state of unemployment, and we have men qualified to speak on the subject coming here and explaining the details to the government and also proposing a remedy—and it is the remedy of protection. I would like hon. gentlemen opposite and on my left who have been disagreeing with us this afternoon to comment on this and tell us if they can suggest some other way by which these people can find employment, without leaving the country as the ex-service men have done.

I think we must admit in a general way, Mr. Speaker, that in the state of society as organized through this industrial age we find capital sometimes in combines, sometimes in the form of companies or corporations, where a large number of small holdings—

Mr. WOODSWORTH: I rise to a point of order. I introduced this afternoon a resolution in very specific terms, as follows:

That, in the opinion of this House, if at any time during the first two years after his arrival in Canada any immigrant is unable to obtain employment, the federal government should accept full responsibility for his maintenance.

That deals with just one aspect of unemployment and calls upon the federal government to take one particular line of action in that regard. It seems to me that it is hardly in order that the debate should broaden out to a discussion of the whole general question of unemployment or that there should be substituted an altogether new means of dealing with this question.

Mr. DEPUTY SPEAKER: Does any other hon. gentleman desire to speak to the point of order?

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I can see the desire of my hon. friend (Mr. Woodsworth) to limit attention to his resolution, but I submit that it is utterly impossible to discriminate between the unemployed who are recent arrivals and the unemployed generally. It is not possible in discussing the subject to limit one's remarks to the unemployed who happened to come in within two years. We shall be precluded from discussing the question altogether if that be the ruling.

Mr. LADNER: On the point of order, I submit that when such general words are used as "accept full responsibility for his maintenance," they have no meaning unless the responsibility is transferred into some form of remedy, and the form of remedy not being suggested in the resolution, it is within the right of hon. members to suggest the form of remedy they think the government should adopt. I do not see how the hon. member who has raised the point of order can deny that we have the liberty and the right to suggest what remedy we think should be provided.

Mr. ANDREW McMASTER (Brome): Mr. Speaker, I will not detain the House long with the few observations I have to make upon the point of order. The resolution is not an indirect one. It says:

That, in the opinion of this House, if at any time during the first two years after his arrival in Canada any immigrant is unable to obtain employment, the federal government should accept full responsibility for his maintenance.

The resolution is of the nature of a modified socialism in which the state shall for the first two years accept the responsibility for finding employment for newcomers. Now, our friends in the corner, with truly apostolic fervour, desire to take this text and then go everywhere preaching the gospel of protection, but to do so would be a flagrant violation of the rules of the House. I would submit that nothing would be easier than for people to put on the order paper some broad and vague generalization and then proceed to discuss anything and everything under the cover of such a resolution. Now, this resolution is not one of that sort. I think the rules of the House provide that discussions of this sort must be relevant to the point under discussion and to the resolution submitted to the House, and although I have not had the pleasure of listening to all the eloquent words of the member for Vancouver South (Mr. Ladner) I think he is out of order and should confine himself strictly to the point at issue.

Mr. DEPUTY SPEAKER: With respect to the point of order raised, the resolution states:

That, in the opinion of this House, if at any time during the first two years after his arrival in Canada any immigrant is unable to obtain employment, the federal government should accept full responsibility for his maintenance.

I think it is open to any hon. member, within certain limitations, to show that by reason of the failure of any federal government to take certain courses of action or adopt certain policies, or remedies or by reason of some matters being dealt with by the state in a certain way, immigrants were placed in such a position that they could not obtain employment within the two-year period, and that therefore the state was not relieved of the responsibility of taking care of them. It seems to me that the hon. member for Vancouver South (Mr. Ladner) is in order in setting forth

certain policies the adoption of which would in his opinion prevent these immigrants from being in a state of unemployment and so becoming a charge upon the revenue.

Mr. MARTELL: Your Honour referred to any federal government or parliament. May I suggest to you that there is only one federal parliament.

Mr. DEPUTY SPEAKER: There are several parliaments, but only one federal parliament.

Mr. LADNER: Under our system as we find it to-day capital has a very useful place in the business affairs of the country, and not only that, but under the present system of companies and corporations, thousands of people with small holdings, perhaps two or three hundred dollars each, are enabled to join together in a limited liability company, with a united management and with single directing force, in order to obtain a revenue and a profit from their investment. Sometimes these directing forces join together, and we have those institutions which the Minister of Labour (Mr. Murdock) is attacking now and again, combines, trusts and mergers. By the way, I might direct the attention of the Minister of Labour to the fact that the fruit combine, which is alleged to contribute to the difficulties of employment in British Columbia, still goes on, and that the provincial government states that they have no responsibility in the matter.

Mr. MURDOCK: Order.

Mr. LADNER: And they are leaving it to the Solicitor-General to take action against this particular combine. I believe that under a motion of this kind there are certain obligations of the state. It is a function of the state to take hold of the question of employment, to distinguish between the people who will not work and those who will work, to protect the innocent persons, the women and the children and the men who find themselves in a helpless condition on account of the intensified development of our industrial and commercial system. I suggest that at present the government are doing absolutely nothing. They do not pretend to do anything. They positively state it is the function of the provinces to solve this question of unemployment, a question which is of national importance. I notice in the Mail and Empire of March 23 a despatch dated Calgary, March 22, referring to this matter, and I was expecting to hear some words from the two members from that city (Mr. Irvine and Mr. Shaw). This despatch reads as follows:

[Mr. Deputy Speaker.]

Army of unemployed trudge for twenty-two miles. Calgary marching party board freight for Edmonton. Slush covers trail.

Men allege discrimination by the provincial government.

After twenty-two miles of the toughest trudging in the world, one hundred members of the army of one hundred and twenty-five unemployed single men who set out from Calgary on Saturday morning on a two hundred mile march to Edmonton, reached Airdrie last night and were filled with hot coffee and food by the hospitable villagers and given the basement of the Methodist church as sleeping quarters. This morning they learned that the Canadian Pacific Railway was sending a freight train through to Edmonton and when it pulled in about eleven they made a rush for choice locations, neither the crew nor the provincial police interfering. On board this freight they travelled about one hundred and twenty miles, where they were ordered to get off Canadian Pacific Railway property. The Canadian Pacific Railway police left Calgary on a passenger train at 4.45 for this purpose.

The little army had to make its Friday night bluff good on Saturday. General A. J. Boulter stalled around too long and his men missed a freight train which they had counted on taking. It was up to them to start their tramp or to back down. They hiked.

And yet the Acting Minister of Finance (Mr. Robb) says he has not heard of unemployment in the country.

In conclusion I submit that this is a matter of which the government should take hold. I think it is a question which should appeal to all hon. members, and with the interpretation that has been put upon the motion by the mover of the resolution I am in favour of it and will support it.

Mr. R. J. WOODS (Dufferin): I had no intention of saying anything on this question until I came into the House not very long ago. It strikes me that if we are going to build up a country we must have immigration. We cannot build up any nation or country without a population. With reference to the question of unemployment, I am convinced that no matter how you restrict immigration or cut down the population, you will always have a certain amount of unemployment. Certain individuals will work at certain occupations, and will refuse to work unless they can obtain the employment they wish to engage in. A great many of our large cities encourage the dole system too much. I have every sympathy with honest labourers who cannot get employment, particularly men in the cities who have families to keep. I have no sympathy with the strong, vigorous and energetic young men who will refuse to go into the country and take hold of honest manual toil in order to make a livelihood. If my memory serves me correctly, in the early part of the winter I saw in the public press where a certain number of unemployed, I think about five hundred, waited upon the government in Ottawa asking for employ-

ment. A lumberman came down from the woods and wanted to engage a number of men, about five hundred, to go into the woods and take out timber and logs.

Mr. LAPIERRE: What part of Ontario was that lumberman from?

Mr. WOODS: I am not prepared to say, but it strikes me he was from Quebec. At any rate, when he came to this delegation and offered employment for about two hundred, he was only able to secure one man to go into the woods to perform manual labour.

Mr. STEWART (Humboldt): It would be interesting to the House to learn how many of those unemployed would fall into the class which the hon. gentleman who introduced the resolution has in mind, that is how many had been in this country for less than two years.

Mr. WOODS: It would be almost impossible to keep track of immigrants that come into this country so as to state how many of the unemployed came to Canada inside of two years and how many did not. I was told just to-day by an hon. member who was going down to the Immigration department to try and procure labour for some people in his locality, that his time was taken up to quite an extent in trying to get men to go to the district where he lived to work on the farms. While we have in Ontario abundance of labour for many men, yet we find there are many who will not work unless they get some particular kind of employment, or who will refuse employment unless they get a job in our great cities. A session or two ago, a number of men walked from Toronto to Ottawa seeking assistance from the government, and we were informed that as they came along the road, nearly every one of them could have procured honest work on the farms, but they refused to work and came on to Ottawa. Had I had the ruling power, they would have had the privilege of walking back to Toronto again. That is my attitude in regard to labour. Many a day I worked for fifty cents and I have worked whole years for $150 a year. I have laboured and toiled in many different walks of life; I know all about labour and the strenuous difficulties of labour. But in my early days when I laboured, I never refused work. If I could get a dollar a day, I took it. If I could not get a dollar a day and I could get fifty cents a day, I went to work. I believe in that principle yet. Men who want work ought to accept it, when they can get it, at whatever remuneration they can get from those who are willing to engage them. I am opposed to the resolution.

Hon. JAMES MURDOCK (Minister of Labour): Mr. Speaker, the question now under discussion is a matter of sufficient importance in itself to warrant us in staying closely to the particular subject matter involved rather than in wandering far afield to discuss every real and imaginary ill that, in the opinion of hon. gentlemen opposite, this country is heir to. I am going to try to stick closely to the question under discussion, excepting for one moment to digress to refer to a point that was raised in this afternoon's discussion, when my colleague, the Minister of Justice (Mr. Lapointe) indicated to hon. gentlemen opposite conditions of unemployment existing in the United States, that well favoured and highly protected country, at the present time. This particular article, of course it will be said by hon. gentlemen, is incorrect, biased, untrue, but for what it may be worth, may I place it on Hansard? It appears in the Toronto Star Weekly of last Saturday, March 21, and it is headed:

Business future of United States appears bright. L.F. President—

That means, Labour Federation President.

—makes statement despite fact twenty million Americans are workless. Bad as in Austria. British and French show better ratio of unemployment—but conditions sound.

Cambridge, Mass., March 21.

In spite of an army of unemployed which he estimates at twenty million to-day, William Green, President of the American Federation of Labour, is optimistic over the business future of the United States.

President Green, now on a speaking tour of Massachusetts, said here that the number of unemployed in America to-day is surprising.

"While it is not generally known or realized," he said, "we have at the present time more than twenty million in our army of unemployed. In fact, we have a larger percentage than Germany, France or Great Britain at the present time, and our ratio per thousand is precisely the same as Austria."

This situation, he said, should give no cause for alarm, because of the generally good business outlook.

General conditions in industry, he said, are very good, with an inclination to seek slight increases in wages in some sections while a stand-pat policy is in force in others.

There are no visible indications of a strike in the coal fields in September, Green said. Rather there is a very good outlook for signing a new wage and working agreement at the expiration of the present agreement, he said.

Mr. MANION: Surely the Minister of Labour knows that it is impossible for twenty million men to be unemployed in the United States. In the same proportion, that would mean a million and a half unemployed in Canada. It would mean that practically all the artisans in the United States were unem-

ployed. The correct figure is probably two million.

Mr. MURDOCK: Not at all. No matter how much my hon. friend hopes there is a mistake—

Mr. MANION: I know there is.

Mr. MURDOCK: —I am firmly convinced that the figures are not in any way exaggerated, and a little later on I hope to have an opportunity of undertaking to prove that they are right, just to present the opposite view to that which has been presented ever since the debate on the Address and other debates have been brought forward in this House.

Mr. RYCKMAN: How many are unemployed in a family?

Mr. GRAHAM: That depends on the size of the family.

Mr. RYCKMAN: A larger family than the Minister of Railways and Canals has.

Mr. GRAHAM: Unfortunately he has not any family.

Mr. MURDOCK: This particular question that the hon. member for Centre Winnipeg (Mr. Woodsworth) brought before the House is not a question to joke about. I hope to do my share as a member of this House in discussing the particular question involved, with regard and concern for those who are directly interested, that is the unemployed people in Canada. Who are they? There are, and there have been for a number of years in Canada two classes of individuals unemployed, one class composed of men—and I am sorry to say there is a considerable number of them—who will not be and who have not been employed for the past several years—men who would not accept employment, no matter how plentiful jobs were. That, I think, can be proven as substantially correct from the fact that we find organized in certain parts of the country associations of unemployed, lodges Nos. 1, 2, 3, and so forth, organizations of individuals banded together, who do not work, some of whom, I think, to be as kindly as possible, cannot work, cannot steady themselves down to accepting a job and working at that job as their employer would like to have them work.

Mr. MARTELL: Will the minister state where they are? I do not know of any in Nova Scotia.

Mr. MURDOCK: These men are to be found in various parts of Canada.

[Mr. Manion.]

Mr. MARTELL: Say what part of Nova Scotia they are in.

Mr. MURDOCK: The hon. member for Vancouver South (Mr. Ladner), the hon. member for West Toronto (Mr. Hocken) and the hon. member for North Toronto (Mr. Church) all have some of these men in their constituencies.

Mr. MARTELL: There are none in mine.

Mr. MURDOCK: And there are some of them within less than a mile or two of these parliament buildings as well as in other towns and cities in Canada. Some of them are very unfortunate in that the condition I have just spoken of is a handicap in certain cases resulting from the war, just as truly as the loss of an arm or of a hand would be.

Mr. WOODSWORTH: Does the minister think there is anything wrong in any way about these unemployed men banding themselves together in associations and trying to secure work or to better their conditions in any degree?

Mr. MURDOCK: I certainly think that the forming of unemployed associations in the way this is carried out in two or three points, particularly in the way it has been done in my hon. friend's constituency, is not in the best interests either of those who are unemployed or of the country as a whole. If my hon. friend cares to do so, he may ascertain from the officials of the employment offices at Winnipeg that in the vicinity of those offices every day for the past three or four years, I think unemployed men have lined up apparently looking for a job. But many of them never find anything, summer or winter, which they feel they can accept or which they would like to undertake. I am not saying this, hon. gentlemen will understand, by way of harsh criticism; I am indeed expressing my sincere regret at the fact. But it is a fact that many of those who to-day are the noisiest about the condition of unemployment are men who are temperamentally so handicapped that they cannot accept a job and perform it as the average employer would expect them to.

Mr. WOODSWORTH: Does the minister deny that there are hundreds of able-bodied unemployed men in the city of Winnipeg for whom the employment offices have no work whatever at the present time?

Mr. MURDOCK: I was coming to that. My hon. friend is certainly quite correct in stating that there is at the present time, as there has been for the past several months, a

considerable number of able-bodied willing workers who have been unable to obtain employment and who certainly want to work —men who would make good employees.

Mr. IRVINE: Does the minister think that the class to whom he refers, namely, those that are seemingly unemployable, represent any considerable number of the men? If so, does he not think that some government, this government particularly, should be responsible for those who are unable to shoulder their own responsibility?

Mr. MURDOCK: The particular view which my hon. friend has in mind might be a question for proper consideration, that is to say, with the question of unemployment insurance. That question might be dealt with either by provinces or by the federal government or by whatever authority might be regarded as being most responsible, and some law might be enacted to provide unemployment insurance just as workmen's compensation against accident is provided at the present time. But that is a matter which must be considered at the proper time. Now let us come directly to the point of the resolution; the resolution relates to immigrants who have been here less than two years. During the latter part of February we received telegrams from certain points in the west, particularly from the mayor of Calgary, who indicated that there were certain—

Mr. ANDERSON: Does the minister know what proportion of those who will not work belong to the Anglo Saxon race?

Mr. MURDOCK: I am sorry to tell my hon. friend that I fear a considerable proportion of those who will not work, or who do not feel that they are able to work, or who do not like the job offered them at the wages stated, belong to the Anglo Saxon race. As I was about to say, in the latter part of February the mayor of Calgary wired indicating that there was a considerable number of immigrants unemployed requesting relief from the city of Calgary. Mayor Webster stated that they could not consider relief to the immigrants and that there were many cases of absolute destitution and suffering. That brought about an exchange of telegrams and a conference between the departments of the government, with the result that on February 27 the Deputy Minister of Immigration wrote to the mayor of Calgary the following letter, which I think it is worth while putting on the record. The letter is addressed to George H. Webster, Esq., mayor of Calgary, Alberta, is dated February 27, 1925, and reads:

> Dear Sir,—The Honourable James Murdock, Minister of Labour brought to my attention a day or two ago his exchange of telegrams with yourself respecting the relief of a number of immigrants recently arrived in Calgary and who were reported by you as in distressed circumstances. As a result of the representations made to the Minister of Labour I asked the director of our Land Settlement branch to let me have a report as to conditions at Calgary, as shown by the records of the branch, and I am informed that during recent months a British immigrant, following his alleged inability to obtain employment, directed a letter to the Calgary Herald complaining of his condition. Following the publication of this letter the district superintendent of the Land Settlement branch also wrote to the Herald to the effect that we were prepared to place at farm work the immigrant who had registered the complaint, or any other immigrant who was willing and able to take this particular class of employment. We obtained no reply to our communication but since then I may say we have placed on the farm a number of persons who were out of work. My information is moreover to the effect that the Land Settlement branch is in a position to find situations on the farms for all immigrants who are able and willing to accept the same; and that there is no necessity for any of these people to remain in want.
>
> If you will let me have a detailed statement of the position in Calgary, showing the names of parties who are in distress and giving some information as to the time of their arrival in Canada, I will be only too glad to have our Land Settlement branch take up their cases with a view to having them placed at work with the least possible delay.

The deputy minister also wrote to me about the same time stating:

> You may rest assured that this department will and can secure at any time situations on the farm for out of work immigrants who are ready to engage in the same.

Now then, if that is correct there is no particular necessity at present for the adoption of this resolution. The deputy minister states that they are able to find work on farms for all of these immigrants who are now unemployed.

While we are discussing this question, I think it is only fair to the people of Canada that I should also discuss the unemployment situation in the coal mine territory of Alberta and British Columbia. What has caused that unemployment? Only to-day I have received pitiful letters asking the assistance of the department to secure work for some miners in those coal fields who intimate that they have been out of work for many months. Let me analyze the reason why they have been idle, and I want to do so without either fault finding or criticism. The facts are that about a year ago a strike was called in district 18 of the western territory involving some 11,000 or 12,000 miners. What for? In order to maintain the same rates of pay that had been put into effect in 1919 and

1920 under practically war time conditions. The strike commenced on April 1 last year and continued for nearly seven months, the final outcome being that a settlement was reached on practically the exact terms that were proposed by the operators at the outset. But unfortunately during the intervening period the markets for western coal had been seriously curtailed and in many cases absolutely lost, and American coal had been banked up at points on the Canadian prairies—piles of coal that ought to have been built of Canadian coal mined by Canadian miners. Again I say, I do not want to be understood as fault finding, but it cannot be denied that a lot of unemployment in the west amongst the miners is the result of their own errors of judgment, errors which have been disastrous to them as workmen, disastrous to the coal operators and disastrous to western Canada in that the markets for Alberta and British Columbia coal have been lost and it may take many months, possibly years, to regain them.

Mr. WOODSWORTH: Will the minister say if the operators have observed their side of the agreement arrived at when the strike was settled?

Mr. MURDOCK: So far as I know they have. But if my friend is referring to whether the operators have been continuing to operate the mines since the settlement was made, I think it would be fair to say no. But in saying that it must be admitted that apparently one of the reasons why they were not able to operate the mines was that the markets had been to a greater or lesser extent lost during the strike period. My hon. friend may have in mind the condition in Fernie and Michel, where the miners have since made a settlement with their employers for a further substantial decrease of compensation, with the result, so the department is advised, that they are working almost steadily and some 130 coke ovens are active, a condition which had not obtained for a considerable length of time theretofore.

Mr. WOODSWORTH: But what has been the effect of that private agreement on work at Hillcrest and other mines?

Mr. MURDOCK: I do not know that there has been a private agreement made at Hillcrest. At any rate I have no details, neither has my department.

Mr. WOODSWORTH: I mean the agreement having been made at Fernie, what has been its effect on other mining camps such as Hillcrest?

[Mr. Murdock.]

Mr. MURDOCK: I do not believe that the agreement made at Fernie and Michel has in any way changed the situation at Hillcrest or at any other mining camp in the Crowsnest pass. I think they simply made an agreement which permitted the mines to operate and supply a certain buyer of the product.

Mr. IRVINE: Mr. Speaker, I should like to ask the minister if he thinks it is fair for him to go out of his way to place the blame for the present mining situation on the miners of Alberta, without giving us any reason for his statement and leaving the employers out of consideration entirely? Is it not reasonable to suppose that they are at least partly to blame for the strike, perhaps entirely?

Mr. MURDOCK: I did not intend, nor do I now, to unduly place the responsibility upon the workmen for the unfortunate condition of affairs. There has been a succession of disputes out there for which the workmen were not all to blame. The workmen a year ago now only did what the employers had done a couple of years before, and there is no desire on my part to unfairly criticize the workmen. I am simply stating as best I can some of the reasons for the unemployment that we have to consider to-day. Some of those workmen, I presume, would come within the scope of the resolution of the hon. member for Centre Winnipeg should it pass, for possibly they have not been in the country two years.

In conclusion, Mr. Speaker, I think this House could do no more unkindly act towards newly arrived immigrants and those who may follow them than to pass this resolution. In my judgment it would tend to stultify the ambition and the initiative that every newcomer to this country must have if he is going to make good and seize the opportunities that come to him. In substance this resolution proposes the adoption of the principle of socialism in our dealing with immigrants for the first two years of residence in this country. I repeat, it would be an unkindly act and also inconsiderate towards those we desire to become citizens of the Dominion, and I hope that with the statement of the Deputy Minister of Immigration before him the hon. member for Centre Winnipeg will withdraw his resolution, that statement being that every immigrant willing and ready to work can be placed in employment. What more is asked for?

9 p.m.

Mr. McDONALD (Timiskaming): Might I ask the hon. minister a question for my personal information, that I may get a line on

what is in his mind? Does he believe that a large percentage of the people who are idle in Canada to-day are idle because they are lazy, are not willing to work?

Mr. MURDOCK: Too large a percentage; not by any means the majority of them. There is a considerable number, particularly in some of our larger cities, individuals who cannot get away from the pool rooms, the movies and the bright lights, who will not go out into the open spaces as some of us immigrants in days gone by had to do.

Mr. McDONALD (Timiskaming): What are you going to do with the 60,000 or 70,000 men who are required for seasonal occupations in this country? When that seasonal work is over and they are thrown on the market, are you going to say that they are thrown on the market because they are lazy? They are thrown on the market at a time when other industries throughout the country are closing down. I am speaking of the 60,000 or 70,000 men who are required to take in the harvest in the west, to cut and thresh the grain and put it in the elevators.

Mr. MURDOCK: As my hon friend knows, many of those who gather in the western harvest come from the eastern provinces. When the harvest is over, they return to their homes in many cases, but many of them, it has been charged by certain gentlemen in Winnipeg, and I think quite properly, drift into the city of Winnipeg and become charges on the community because they cannot find work there. It is very hard for us to get any accurate figures as to the number involved in the question raised by my hon. friend.

There is a great deal more, Mr. Speaker, that might be said on this unemployment question; there will probably be a great deal more said on it this session; but the particular question involved in this resolution, it seems to me, has been met by the declaration of the Deputy Minister of Immigration, when he says, "You may rest assured that this department will and can secure at any time situations on the farm for out-of-work immigrants who are ready to engage in the same."

Mr. MURRAY MacLAREN (St. John City and Counties of St. John and Albert): From the wording of the resolution I think one can conclude that it is within the knowledge of the mover (Mr. Woodsworth) that there is a substantial difficulty in immigrants securing employment at the present time. Otherwise he would not, I think, have brought the resolution before the House. If that is the case, it means that the country, or rather that portion of the country where these men are being sent, is at the present time unable to absorb the number of immigrants who go there. The mover of the resolution, in order to meet this situation of immigrants being unemployed, or undergoing great difficulties in finding employment, proposes that the government substantially guarantee all immigrants who come to this country some form of employment or maintenance for the first two years. I cannot support a resolution of that character. There is such a thing as giving a man every fair and reasonable opportunity, within the powers of the country, of securing employment. There is such a thing as making fair statements, and avoiding undue promises to men who come to this country; but for the government to guarantee to every man who comes to this country that he shall receive employment I believe is contrary to the best interests of the country. Every man must take his chance. I do not mean a great chance, but he must take some chance. He must take the same chance perhaps, or nearly the same chance, as the men who are now living in the country. Therefore, Mr. Speaker, I cannot do otherwise than oppose the resolution.

But there is, I think, a proposal that one might make to the House and to the Minister of Immigration in reference to this matter. I take it that where there is a difficulty in securing employment at the present time, and I am speaking only of new immigrants who are being placed in the western portion of our country in large numbers, it is because they are being sent there in larger numbers than the country can absorb. What is the immigration policy of the government at the present time? It is undoubtedly to send a very, very large proportion of immigrants to the west; so much so, that some immigration agents in Great Britain are diverting some of the men who had thought of other sections of this country to which to emigrate, and are directing them to the west. Now we are all perfectly willing that the west should receive a substantial number, as many as they want, but not more than they are able to employ. I am satisfied that the men in the west do not wish immigrants there out of employment, or in difficulties, or poverty. Now what I suggest is that the Minister of Immigration develop and broaden his policy. Let him distribute the immigrants in proper proportions all over this country. In that way, not only will he do justice to the various sections of the country, but he will solve one of the difficulties in finding employment for the immigrant. The larger the area over

which they are distributed, the greater will be the power of the country to absorb them. We are not testing out the power of various portions of this country to absorb new immigrants. The immigrants are being concentrated in a certain section of the country. Now if, when they came here, they were more widely distributed over the country, if they were placed here and there where there was work, I believe that would help in solving the unemployment situation.

Mr. D. F. KELLNER (East Edmonton): I wish to add a word in support of this resolution moved by the hon. member for Centre Winnipeg (Mr. Woodsworth). I am sorry he did not make it a little more comprehensive, and as well as putting the onus on the government have included also some of the companies who are engaged in bringing immigrants to this country; for instance the two railroad companies and some land companies. At the present time we have the Canadian Pacific Railway in particular, whose agents solicit immigration in Europe, and we are told that it is their frequent policy to guarantee positions to immigrants landing in this country. I have heard the allegation made that when an immigrant comes out here, if he cannot get a position, quite frequently the Canadian Pacific will fire someone who is employed in one of their subsidiary companies and give the immigrant a job. The result is that some citizen of Canada is thrown out of his job to provide work for the immigrant. That simply means that when the government refuses to help the immigrant, he must be supported at the expense of the Canadian citizen, who loses his job. I do not think that is a fair policy to follow, but as a matter of fact, it is followed by the Dominion government itself. I think anyone who will go into our civil service here will find that a very large percentage of those employed in it are brought to this country from England, and if we have unemployment the Canadians who probably should occupy those positions are not there. Moreover, if they have any property at all they are taxed to support those immigrants who are brought here.

I think the Minister of Labour (Mr. Murdock) took an unfair attitude when he talked about the onus of the strike out in the west being on the miners. I should have liked to hear him tell us whom the onus was on when the subway strike in Edmonton took place last winter. At that time a contract had been let by the Department of Railways in the city of Edmonton, containing, I understand, a fair wage clause which was familiar to the minister, but the contractor employed men at twenty-five cents an hour. The men went on strike, and I do not think even the Minister of Labour will say it was the men's fault in that instance. So far as I have ever been able to learn, neither the Department of Railways nor the Department of Labour took any active part in settling the strike. Eventually when the city of Edmonton got behind the men's case and public sentiment was strongly in their favour the men won and the rate of wage was increased to forty cents an hour.

Mr. MURDOCK: If my hon. friend will inquire to-morrow at my office I will give him documentary evidence to prove that he has not all the facts.

Mr. GRAHAM: If he will call at mine I will give him some evidence to show that his facts as alleged are not facts.

Mr. IRVINE: If he will call at my office I will show that he is perfectly correct.

Mr. GRAHAM: Which office of yours?

Mr. KELLNER: I regret to have to inform both ministers that the statement which I have given the House just now is the one we have been led to believe is correct, and it is the allegation of the city council of Edmonton.

Mr. GRAHAM: I am sorry to inform my hon. friend that it is not the allegation of their mayor.

Mr. KELLNER: I do not wish to carry on the controversy. I am still convinced that the mayor has probably put some of the articles to which I have referred in the press of Edmonton, covering the point under discussion.

Mr. GRAHAM: Let us get it right; my hon. friend I know, does not want to have it wrong. The subway work at Edmonton was undertaken in the winter rather than in the spring, as an emergency work to give employment to the unemployed. Had the railway been left to itself that work would not have been taken up in the winter at all. Now, keep that in mind. The onus was not on the Minister of Labour at all but on the Minister of Railways to settle any dispute as to wages. That is a peculiarity of the Railway Act; it is a clause that has been in it for many years. The mayor, when the strike took place, communicated with the Minister of Railways, as under the statute he was the authority. The Minister of Railways submitted the case to the Minister of Labour, and the ruling of the

Minister of Railways was on the advice of the Minister of Labour. The men were given a certain wage which was absolutely fair and it was made retroactive. That is the whole story.

Mr. KELLNER: Forty cents an hour is the wage referred to as being absolutely fair, is it not?

Mr. GRAHAM: My hon. friend must have been wrong if I am right.

Mr. KELLNER: The minister is jumping at conclusions. I did not say he was right.

Mr. GRAHAM: My hon. friend said that neither the Minister of Labour nor the Minister of Railways had anything to do with settling the strike. That is all I wanted to correct.

Mr. KELLNER: I do not think I said that. The minister might have heard that, or heard what he thought was that, but it is not what I said.

Mr. GRAHAM: Read Hansard yourself.

Mr. KELLNER: Yes, I shall be pleased to do that.

Mr. GRAHAM: I will too. I like it.

Mr. KELLNER: However, I do not think the minister can very soundly argue that the Edmonton mayor or the Edmonton city council were satisfied with the treatment the men received in respect to the subway work last winter. Neither do I think they are satisfied with the treatment they have had in the whole work that was undertaken to relieve unemployment. In fact I have before me a resolution recently adopted by the Edmonton city council, and I hope the Minister of Railways will do me the honour of listening to it. It reads:

> Whereas the problem of unemployment is one that is generated or abated by the policies or lack of policy of the federal government;
>
> And whereas the burden placed on this municipality by taking care of the unemployed in this district is inequitable and unfair to the taxpayers of this city;
>
> And whereas three members of the House of Commons represent constituencies of which this city is a part;
>
> Therefore be it resolved that this city council instruct the city clerk to forward to the members representing the Edmonton constituencies an outline of the obligations undertaken on behalf of the unemployed by this city, with the request that they introduce at this session measures that will obligate the federal government to assume its fair share of the costs of relief work.

I take it from that that the Edmonton city council are not quite satisfied with the treatment they have received in connection with this relief for the unemployed. I also have before me a statement of what has been spent by the city in relief work. They have spent $111,715 this past winter, and added to that is $1,500, two-thirds of which went to the Welfare board and $500 to the Salvation Army to look after emergency cases.

When we were discussing this matter a little while ago the Acting Minister of Finance (Mr. Robb) stated that in his opinion there was very little unemployment in Canada, and his speech rather suggested that if there was any it was probably Conservative propaganda to affect the coming election. I hope such an insinuation will not be reflected against the council of the city of Edmonton because the mayor got very lenient treatment indeed from the government last year when he was negotiating with the Woodward elevator people at Vancouver. He is at the present time a candidate for election to the federal House and a supporter of the government in East Edmonton constituency. He stated only last week through the press there that he intended to run as a supporter of the King government in the next election. Then they also have an alderman there, Mr. Joseph Clarke, who, I understand, makes the boast that he was a playmate in his school days of the present Prime Minister and that he also will be a candidate in East Edmonton at the next election.

Mr. GRAHAM: There seem to be lots of people who want to run.

Mr. KELLNER: I did not catch the minister's remark.

Mr. GRAHAM: I say it is a healthy sign to have gentlemen desirous of being candidates for any party.

Mr. KELLNER: Yes, that is a very healthy sign. What I wanted to bring out in mentioning this was the fact that it is not Tory propaganda in this instance; it is Liberal, and unless there was a very real grievance these gentlemen would hardly embarrass the present government to that extent.

Mr. PELLETIER: Do I understand the hon. member to say it is Liberal propaganda?

Mr. KELLNER: If the hon. member was in the House this afternoon he would readily appreciate that I was not the one who made the accusation that it was propaganda. I am simply stating what took place earlier in the debate when propaganda was alleged—not by myself.

Mr. PELLETIER: And is my hon. friend repeating it now? Does he realize that at all

times, in the Dominion as well as elsewhere, in all large centres we have quite a number of I.W.W.'s, meaning I want work? That is not the fault of the Liberal party or any other party. Let us be fair in this debate.

Mr. KELLNER: I hope the hon. member is not accusing the mayor of Edmonton and the aldermen whom I have mentioned of being I. W. W. men. This afternoon during the discussion our friends to my right tried to convey the impression that this unemployment in the country—and I do not think there is any question about unemployment existing—was the effect of the policy, and particularly as it pertains to the tariff, of the present government, and the suggestion was made that conditions were very much better in the United States. I notice in to-day's Globe an article dealing with that very point, which reads:

"Coolidge Boom" has not arrived

Federation of Labor Officials Report Much Unemployment in U. S.

Canadian Workers Idle

Organizers of the American Federation of Labor agree with the statement made on Saturday by William Green, president of that body, that unemployment in the United States at the present time affected millions of workers. Mr. Green was optimistic of the future and the ability of industry to absorb the army of workless.

"Conditions appear to be a trifle better in the United States than in Canada just now," said William Powlesland, vice-president of the Blacksmiths and Boilermakers' International Union, who spent a month in the railroad shops of New York State. "The States did not get the boom it expected with the election of Coolidge. For the first time in years the New York Central closed its shop in Albany for a week."

Letters to union officials here reveal that Canadian mechanics in the States have had little work since October, while trade journals are warning men away from many cities of the United States on account of unemployment.

So that evidently unemployment is not a matter to be treated lightly. If they have it to that degree in the United States, and we know we have had it here all winter, it is evidently a matter that is not going to correct itself in the very near future. The statement was also advanced that we have got very far in debt in Canada and that our tax bills are exceedingly heavy in comparison with the United States. The American Review of Reviews for February has this to say:

In Iowa, for instance, while the farm mortgages in 1910 amounted to $26.83 per acre, in 1920 they had increased to $63.19 per acre. The governor asserts that farm lands can stand no more taxation, and he proposes a stiff gasoline tax, and perhaps levies on incomes and business profits. In Maine a million dollars a year has been lost by decreased assessments on the railways, due to lessened earnings.

Minnesota is to have a supertax on the tonnage of iron ore mined, which will yield $4,000,000.

[Mr. MacLaren.]

Incidentally Arkansas has an educational problem, because last year there were 57 school districts with 2,060 children in which not a day of school was held.

I might give many more instances. There is no question that in the United States at the moment conditions are no better materially than they are here. I think this government admitted an unemployment situation when they called this conference with regard to winter employment in Canada. Different ones who took part in that conference expressed the situation as it then existed, and invariably they credited a portion of that unemployment to immigration. For instance, H. T. Lockyer, general manager, B. C. Stores, Hudson's Bay Company, considers:

That a restricted immigration policy should be put into force at once by the federal government; that immigrants have been sent here under misrepresentation, and that conditions will be as bad here this winter as during past winters. He thinks that municipal, provincial and labour officials—

I presume that is the Department of Labour for the federal government—

—should publicly announce that conditions do not warrant an influx of immigrants.

Then Percy R. Bengough, secretary of the Vancouver Trades and Labour Council, considers:

That they will have as many unemployed this year as last and that the policy of spending public funds in bringing immigrants to this country when residents, for economic reasons, are leaving, is wrong.

Then the following resolution was passed by the council of the district of South Vancouver:

That whereas this council may be faced with a problem of unemployment during the winter months, and whereas we have a population of approximately 38,000 people, composed principally of artisans, and whereas it is impossible for this municipality to undertake to find employment or to provide relief for all who desire it, and whereas the Dominion government is directly responsible for the bringing in of any immigrants at a time when employment is scarce, be it resolved that we ask the Dominion government to give direct financial assistance in the providing of employment of a productive nature in the municipality of South Vancouver during the winter months; and that we ask Mayor Owen to present this resolution to the joint conference on unemployment at Ottawa.

Then the mayor and council of Vancouver further said:

Many hundreds of Scandinavians have lately arrived here, and we are glad to see them. But we admit it pains us often when young men and girls arrive without funds, no work, no friends, and not knowing the language. We try to find jobs for them, but with the city full of idle men, what chance has a newcomer? We find men among them who are educated. We find among them mechanics, chemists, musicians, almost starving. And this is what they tell us: that the government carries on propaganda in Norway, Sweden and Denmark, employing agents whose business is to induce as many as possible to migrate to Canada.

I will just quote one more extract from the proceedings before the national conference regarding winter employment in Canada, as follows:

> What is going to become of the large immigration that is coming into the west this year. They are a fine class of men that have come in, but some of them may not be able to speak the English language. We have not the wherewithal to provide for them. Our own citizens must come first.

I wish to point out that our own citizens, as a general thing, do not come first. Suppose a Canadian citizen and an immigrant are riding side by side on a train and both presumably looking for land. The immigrant will pay a railway fare of about a cent a mile, while the Canadian citizen will pay the usual fare. There is no question about it that the immigrant coming in to-day can get a better deal from the federal Immigration department, which now has control over the Soldier Settlement Board, than any Canadian citizen can get. I think this is very objectionable, and the Canadian citizen is bound to take exception to it. I could not help but think how pleased the Minister of Immigration (Mr. Robb) was this afternoon, when he read the telegram from the Premier of Alberta, which upheld the immigration policy which the government had entered into. I venture to say there are a certain number of individuals who actually think this immigration policy is going to solve the problems of the country. On the other hand, I think there are infinitely more people who think it is one of the most unlikely things to solve our immigration policy that any government could conceive of, and when you take the whole policy of the government under review, to bring in more immigrants, raise more wheat and subsidize ships, what will be the result? That is practically what the policy of the government is. When these immigrants are coming in I think the general stipulation is to make them promise that they will engage in farm employment for two years. You are getting very close to the old situation; when a man was convicted of some crime he was sentenced to the Siberian mines. Instead of that, to-day you will send him out to the west and tell him to engage in agriculture. That is a reflection on agriculture and such a policy can never be successful. It is somewhat of a reflection on any group of people who would be a party to supporting a policy of that kind.

In conclusion, I do not think the government is justified in bringing those people to Canada and leaving them to shift for themselves under the conditions which have been cited, and under which a man who knew the language and knew the conditions of the country could hardly hope to make good. One of two things is going to happen to him. Somebody has to provide or the man is going to starve. Surely, in a land of plenty such as Canada, it would be a national disgrace if we allowed people to starve on our hands. The commitments of the federal government are not nearly so heavy as those of the provinces or the municipalities. If the federal government ignores its responsibility in regard to those men, I am a little afraid that it is only a matter of time until the provincial governments and the municipalities cannot take care of the situation. When that day comes, of course starvation will be the lot of those men. I regret that the hon. member for Centre Winnipeg did not make his resolution a little broader, but I am glad to extend my support to it as it stands.

Mr. C. W. STEWART (Humboldt): Mr. Speaker, I wish to support this resolution presented by the hon. member for Centre Winnipeg (Mr. Woodsworth), but I also desire to make certain reservations. I do not think those reservations which I would make would be more than those which the hon. member himself stated when he placed the resolution before the House. I would not wish to support it as a panacea for all the ills that have been mentioned in connection with unemployment and the possible causes of unemployment this afternoon. I do not think his resolution is offered as a solution of the unemployment problem. I take it that it would be about as sure a remedy for our whole unemployment problem as possibly a cup of ginger tea for an acute case of appendicitis. We have an acute trouble in the way of unemployment in this country. I have my opinion as to the causes of that unemployment and the possible solution of the trouble; but contrary, apparently, to most of the members who have discussed the resolution this afternoon, I do not think this is the time or place to discuss the causes and solution of our problem of unemployment. I take issue, I may pause for a moment to say, with my friends to my right who have attributed that evil or ill that is upon us, to our lack of tariff protection. If I were going to take time to offer a solution for our troubles here, I would commend the action which the government themselves placed before us last year as being necessary, and which they made at least a gesture of supporting. That is the encouragement of the development and of those who are engaged in the development, of the natural resources of this country.

But I want to support this resolution because I think it is aimed at something that should be done, that is the transference of the responsibility that now rests upon local municipalities in connection with immigrants who come within their borders for possibly a short term. I think it will be admitted that very few of those who come from foreign countries and make their home within a municipality contribute much to the social or civic or economic basis of its existence in the first two years that they are there, and sometimes they become a great responsibility and load upon that municipality. It has been stated here this afternoon that this proposal is some advanced form of state socialism. I cannot see the force of that argument. I do not think it is true. At the present time, our municipalities are responsible for the maintenance of those who cannot secure a livelihood through employment. We do not call that state socialism. Some of our provinces have been forced to take action to support those who have unwillingly become a charge upon the country through lack of employment. We have not called that socialism. Why is it that when the problem is brought into this House, it becomes state socialism, and when it is before the municipalities, as at present, it is looked upon as a purely humanitarian matter?

Mr. MARTELL: Supposing, under the wording of this resolution, a man after he came to Canada received employment for one hour, what would be the situation?

An hon. MEMBER: If he went to Hants?

Mr. MARTELL: If he went to Hants he would get employment if he wanted to work.

Mr. STEWART (Humboldt): As has already been pointed out, there is employment in this country provided the men are placed in touch with that employment, not perhaps for all of our people, but at least for those immigrants who come here and for the first two years are with us.

Mr. MARTELL: Supposing there is unemployment, and supposing, under the wording of the resolution, a man received one hour's employment within the first two years after he came to Canada, then the state would not be responsible for his unkeep after the two years. If that is the case, then, as regards our own people in this Dominion who have no employment for two years, why not make the state support them?

Mr. STEWART (Humboldt): The hon. member again is reading into this resolution something that, I think, the hon. member who moved it had no intention of placing there. Perhaps the hon. member has been unfortunate in the phraseology he used in framing this resolution. If he had known the full interpretation that was going to be given to his resolution, perhaps he could have worded it so that it would not have lent itself to so much expansion as it has been given this afternoon.

When I was interrupted I was saying that I believed the responsibility that is now upon the municipalities should be borne by the government which brings the immigrants into this country; that it is logical that they should bear at least a share of this responsibility; that it is no more socialism that they should do so than that the municipalities should do so. I am not in favour of doles. If I thought supporting this resolution meant that the country was asked to commit itself to offering doles or anything of that kind, I certainly would not speak or vote in support of it.

Mr. MARTELL: I am not trying to be carping in my criticism. Supposing we did support this resolution, even if the House supported it unanimously and a man got five minutes employment in Canada, then the state would not be liable in the opinion of this House.

Mr. STEWART (Humboldt): I have already told my hon. friend that if that meaning can properly be taken out of this resolution, the phraseology is unfortunate, but I do not think it can. If an immigrant who comes to this country is brought here under the regulations which now exist, he is, in the majority of cases, directed to the provinces or to the parts of provinces where agricultural labour is required.

Mr. GRAHAM: Several of the provinces have very active immigration agencies. This resolution would ask the federal authorities to take care of immigrants under the provincial system as well as under our own.

Mr. STEWART (Humboldt): It might possibly require some hedging in that respect. Immigrants are brought into this country who were, perhaps, instigated to come here by the action of provincial agents over whom the federal authorities should assume a certain responsibility. I will give an illustration in a moment or two to convey my meaning in that respect. I was trying to point out that the immigration that comes to this country at the present time is directed to the fields of agricultural labour and that there is employment, or, if there is not, immigrants should not be permitted to enter the country

for whom there is no agricultural labour. If the Minister of Immigration (Mr. Robb) were in his seat he would no doubt take exception to any charge that his department was permitting immigrants to enter this country for whom agricultural labour was not in sight. And usually it is true that this does not occur. But it sometimes happens that these people lose the position or job they came to take up, and it is then the duty of the municipality in which they reside to maintain them till they get another job. That is an unfortunate condition, I maintain, inasmuch as the municipality is handicapped in placing these men when the work that offers is not within their own limits but miles removed. The Minister of Labour (Mr. Murdock) told us to-night that he had on the authority of the Deputy Minister of Immigration a statement to the effect that there was work for all immigrants who came provided they would take farm labour. I believe perhaps that is true; so far as my own observation goes it would be true. I have therefore very little sympathy with the man who refuses to take such labour as is offered him. I would suggest that if this resolution were accepted by the government such regulations as might be made should be so framed that any man who refused to take the work offered him, no matter what it was, should be removed from under the paternal care which the government would otherwise have for him for the period of time specified. But I want to point out an example that has come to my attention; and I am told by the officials of the Immigration department that it is not singular, there being a number of similar cases. An immigrant was brought into the country having passed the inspection of the federal department. And here I may say to the Minister of Railways (Mr. Graham) that possibly this man came in through the activities of some provincial agent, although I do not know. However, he came into the country, passed the immigration health inspection at port of entry, and then went on the province in which I reside where he secured farm labour. He had been there a very short time when he was taken ill and he was unfit to carry on the work for which he had been hired. He was sent to a hospital where he remained for some time, suffering from tuberculosis. All that time the hospital bill was growing. He had been in the municipality long enough to have established residence there under the regulations and so his bill had to be taken care of. His case did not improve with time and he was sent to a provincal sanitarium. The municipal authorities then complained to the federal department and steps were taken to have the man deported but the process of deportation was exceedingly slow. I am not critizing the officials in that regard for I do not know just what caused the delay; it might have been that he was not in a fit state to be deported. At any rate he remained about three years in this sanitarium and in that time his bill had amounted to a considerable sum, greater than any rural municipality in that part of the country could afford to have shouldered upon it. Now someone had to bear that burden. The immigration officials maintained that the man could not have been sent out of the country sooner and the fact was that in the long run that municipality, sparse in population and not very well off financially, was forced to bear the expense incurred in taking care of this man.

Mr. CARROLL: How long had the immigrant been in the country before he was taken ill?

Mr. STEWART (Humboldt): He remained in the sanitarium about three years.

Mr. GRAHAM: Would this resolution affect that case?

Mr. STEWART (Humboldt): It is because I believe that it would affect such a case as this that I support the resolution. And this is not a singular case either.

Mr. GRAHAM: But this resolution refers only to those who are unable to get work.

Mr. STEWART (Humboldt): This man was unable to take employment owing to sickness.

Mr. GRAHAM: But the resolution does not say anything about being unable to "take" employment; it relates to ability to get work.

Mr. STEWART (Humboldt): Well, no man in a sanitarium can get work.

Mr. GRAHAM: I am only stating my belief that the resolution would not affect such a case; that is all.

Mr. STEWART (Humboldt): The man had no one to depend on and the municipality had to foot the bill. I contend that the whole country should bear the expense in an unfortunate case like that, and when I am informed, as I am, that there are other cases of the same kind I hold that we need some provision such as is now proposed to meet the situation. Personally I do not favour paternalism in relation to immigrants, but we certainly do need to afford them some protection for at least two years until they have

a chance to contribute something to the municipality in which they live. After they have made a worth-while contribution to municipal funds, then the municipality might well be asked to take care of them in any extremity. I do not think that the time specified, namely two years, is too long, and as I believe it was the intention of the mover that the resolution should cover cases of the nature I have described I am going to support the motion.

Mr. T. L. CHURCH (North Toronto): I am not interested in propaganda either for or against the government or the Progressives in regard to the subject of unemployment, but I am interested in the city from which I come which is compelled to contribute nearly a million a year to the relief of the unemployed, and this through no fault of its own. I am also interested in humanity and in those out of work.

It is all very well for the Progressives to talk about the condition of the unemployed out in the west where these men can obtain employment while the harvest is on. But where do they go when the agricultural season is over? Why, they come down to the larger centres of population in central Canada which are used as dumping grounds and those cities are obliged to shoulder the burden of their upkeep although they are in no way responsible in the matter. I will not support any such resolution as that proposed by the hon. member for Centre Winnipeg (Mr. Woodsworth) because I do not believe it is the duty of the government to get anybody a job, although I do believe that it is the duty of governments, Dominion, provincial or municipal, to help those who are in trouble and out of work through no fault of their own. I further believe it is their duty to get together, solve the unemployment question and give Canada an adequate national policy which will make work plentiful.

I come from a large city where unemployment conditions are more acute than they are in any other part of Canada. It is a British city, an important industrial centre, and we have had serious unemployment conditions there this winter. I do not care who is to blame for this, and I do not say that the government is all to blame; nevertheless I have never known unemployment to be worse at any time in Toronto than it is to-day. The British immigrant's lot is not a happy one under our immigration laws. I have here a copy of Hansard reporting the debates in the British House of Commons three weeks ago. It shows that of forty-six questions asked in the House on the orders of the day some thirty-five related to unemployment, its cause and the tariff. I am sorry that the hon. member for Brome (Mr. McMaster) is not here; I would point out to him that according to a return given in the British House the agricultural labourer over there is paid twenty-nine shillings or a little over $5 per week. And this under free trade. As I said some time ago:

> Ill fares the land to hastening ills a prey,
> Where free trade flourishes and men decay.

It is significant that while the hon. member for Brome was a few weeks ago, speaking eloquently to the students of Varsity in Hart House Toronto on what free trade would do in the way of relieving unemployment here, some 1,200 men, British immigrants and others who could not find any place to which to go, were sleeping in the police stations and the House of Industry in Toronto, depending upon public charity. Let me quote the following news item in regard to conditions in Toronto and this illustrates something that is a daily occurrence:

> Many Hungry Men Fed
> Reveille Mission, Queen West, Scene of Hungry Crowd Saturday
>
> Pastor Charboneau opened the doors at Reveille Mission, 383 Queen street west, at 2.30 p.m., Saturday afternoon, to a crowd of 236 hungry people, who were waiting for a free meal. Everybody was fed, and some who could not get in, were fed at a restaurant nearby.

The city, House of Industry and the various charitable institutions of the city and the churches and charities have had a hard time this winter relieving unemployment and families in distress, and it is the duty of the governments, federal, provincial and municipal, the churches, and the social organizations to work in unison, to consecrate their best efforts, and intelligence, to an effort to solve this social disorder in our midst. The first duty of a government is to look after the health, peace, prosperity and comfort of its citizens.

It is cold comfort for the men out of work to read the discussion of their troubles in this House. I do not say the government is to blame altogether but primarily, as I said the other day, the question of unemployment comes within the federal jurisdiction. The control of banking, of immigration, of trade and commerce, of agriculture and other activities set out in section 91 are essentially federal activities, and if there is any agency which should devote itself to the solution of unemployment it is the federal government, for undoubtedly immigration and unemployment are closely linked together. If you find a flood of immigration, you are pretty sure to find some months afterwards a certain amount of

unemployment. Unemployment is not a local question, it is not a provincial question, it is absolutely a national question. Every country is more or less troubled with the difficulty of finding employment for many thousands of its working people. In Canada unemployment is to a certain extent seasonal, and for that reason I am strongly in favour of a close season for immigration. What is the use of bringing immigrants to this country in November, December, January, February and March? And yet many British immigrants are misled by the representations and greed of the transportation companies and even of our own immigration agents over in the Old Land who say that there is always plenty of work for every newcomer to the Dominion. A couple of hundred British immigrants reached Toronto as recently as the middle of January last. Do you think they went west? No, nearly all stayed right around Toronto. I had a few come in to see me, including a man—an ex-soldier—and his wife from Cheshire. They were two war workers who had been employed at a golf club in the Old Country, and they produced letters from the transportation companies and from the government agency that work was good in Toronto. They were in destitute circumstances. I am glad to say I was successful in getting them positions. This was not an isolated case; there are thousands of them. For that reason, I repeat, I am in favour of a close season for immigration.

I think the government have very little conception of their duty in helping to solve the unemployment problem. For instance, hon. members will observe on page 1316 of Hansard that in reply to a question of mine respecting money votes for agriculture and for unemployment I was informed that while millions of dollars had been granted in 1924 in aid of live stock, health of animals and other agricultural purposes, the expenditure on unemployment had for the same year amounted to only $5,700, while for the current year not a dollar has been given to relieve the situation. In contrast with this I am glad to say that we have in Ontario a government that is alive to the seriousness of the situation. When the Minister of Labour advised a large deputation from various municipalities and provinces that the federal government did not intend to grant any relief to ameliorate the unemployment trouble, the Premier of Ontario announced that his government would assist the Ontario municipalities to the extent of one-third of the excess cost over normal which any municipality might have to expend in unemployment relief. In addition, the attorney general has introduced a bill in the legislature enabling a municipality to devote a certain amount of taxation up to one mill for the relief of the unemployed. So the government of Ontario is endeavouring to do its part. The large deputation which interviewed the Minister of Labour last January, and to which I have already referred, included the representatives of several municipalities, of the G.W.V.A., of the Trades and Labour Council and of the Salvation Army. The Toronto section was headed by Alderman Miller who said:

> These people have been coming to us, and as we have gone to the limit ourselves, we bring them to the Dominion government to see what they'll do.

In a memorial from the unemployment association, A. E. Smith described unemployment as:

> A social disease arising out of a social system. The cause of unemployment is the possession of a private interest in the machinery of production on the part of a very small class who exercise it wholly at the impulse of their own advantage or caprice. I call for a public policy regarding unemployment so that there may be an accepted understanding beforehand of what may be expected whenever unemployment is forced on the workers.

Alexander Shields, of the Great War Veterans' Association, speaking for the ex-service men of Toronto, said:

> I estimate the unemployed at 40,000, of whom 60 per cent were ex-service men. I heard figures quoted the other day that out of over 3,000 registrations of single men in our local employment office only a little over 200 could be classed as bona fide residents of the city of Toronto and the figures from our own relief department show that out of 2,056 cases assisted there were 442 families of ex-Imperial soldiers, despite the fact that we have been forced to only grant relief to applicants who have been resident in the city for one year, unless in cases of extreme destitution.
>
> We have only been able to help one applicant in four, most refusals being for this reason, or through the necessity of conserving the funds for very extreme cases only, as relief has already been closed down in four of the most densely populated districts because the quota set aside for those areas has been distributed. It may also be noted that our records show that the average man helped has been unemployed for slightly under four months.
>
> The condition of thousands of single men is pitiable, many are sleeping in the police stations, railway depots, and so forth, and subsisting on meals supplied by the different organizations in the city of Toronto.

In my opinion unemployment is closely related to immigration, and the subject of immigration is deserving of the consideration of the best minds and the best hearts in this country. Social workers, federal, provincial and municipal governments should all get together and work in unison in an effort to solve this problem, which is one of the greatest problems we have in this country. I am not saying it is due altogether and en-

tirely to this government or to that, or to the Department of Trade and Commerce, the tariff or anything else. I am not prepared to go that far, but I do say there is a great deal of unemployment in this country, and in my opinion, and I have studied this question very carefully, unemployment in this country is caused very largely by our not developing our own natural rsources. No one knows that better than the grain growers in the west. Their grain is being taken across the line, to Buffalo, where there are now twenty-eight elevators, and their grain is being milled there, mixed with American wheat and exported overseas and the identity of Canada's fine hard wheat destroyed. All the employment that is furnished by those twenty-eight elevators in Buffalo would give work to 15,000 men at Port Colborne and other lake Ontario points, if a duty and embargo were placed up to 45 per cent on wheat and have it milled in Canada and exported through Canadian channels entirely. We are not developing our natural recources in this country, and Canada has become the happy hunting ground of American millionaires who are seizing our forest, timber and mineral wealth.

We are exporting mica, nickel, pulpwood, power and coal. If we manufactured or utilized these articles in this country, it would provide work for tens of thousands of men. Canada supplies 85 per cent of the mica of the world, and 95 per cent to the United States. In 1924 Canada sold 112,000 tons of mica to the United States in the mill fibre state, only one degree removed from the crude. For that we received $5,546,000. When that was manufactured in the United States, it realized $70,000,000 worth of the finer products of asbestos, and another $10,000,000 worth of rough asbestos. Had we developed our own mica, $80,000,000 would have been distributed among Canadians.

Canada controls the world's supply of nickel. We need fear no competition in this particular article. We should develop nickel in our own country and help provide employment here. Canada's great nickel deposits give the United States all its supply and the world 85 per cent of its supply.

According to a bulletin issued by the United States Department of Agriculture, the United States is consuming 75 per cent more pulpwood, and consequently is importing great quantities. Last year Canada sold 1,350,000 cords of pulpwood to the United States, receiving $13,000,000 for it, while this raw pulpwood was converted in the United States into a value of $67,000,000.

[Mr. Church.]

We are also sending to the United States $100,000,000 every year to the mine owners in Pennsylvania. We could use $56,000,000 of of that sum to provide work and wages in the maritime provinces, in Alberta and central Canada. So, Mr. Speaker, I contend that unemployment is due in a great measure to our not developing our own natural resources and to our lack of a national policy based on the principle of our own markets for our own products and our own work for our own workmen.

In the city of Toronto to-day we have many immigrants out of work through no fault of their own. Many of them have not been in Toronto one year and are a direct charge on the community. Here is a letter from the Rev. W. L. Baynes-Reed, Rural Dean, Toronto, a splendid returned soldier and patriot, in which he refers to these British immigrant harvesters coming down from the west a year ago and being dumped in the city of Toronto. An appeal is being made by the Anglican people of the city to take care of these British-born who are out of work. Over 9,500 meals have been provided, and over 3,500 beds.

This unemployment situation is not confined to the city of Toronto. We find practically the same conditions in Hamilton, London, Brantford, Ottawa and other cities. According to Social Service Commissioner R. W. Hopper of Ottawa, in January no fewer than 897 families in Ottawa have been given civic aid of some kind as against 685 in December. The number of children who shared in this relief was 2,646. There were 237 Protestant families given relief, 654 Roman Catholic families, and six families of other denominations.

The number of unemployed in Hamilton, Toronto and other cities has been steadily increasing. In Toronto the official records at one employment bureau show about 10,000 unemployed. Those are just civilians registered at one bureau, on Front street. The latest report from this bureau indicates that unemployment has been steadily mounting, and that includes unemployment among the immigrants. There is no evidence that the peak for this winter has been reached. There are 6,700 names on the record of the bureau, which is a considerable step up from a few weeks ago. Last year the peak was not reached till the middle of February. It is expected that this season will be somewhat worse than last year. This report goes on to refer to the large number of men from the west who have been dumped into the city, and whom the city has to look after.

The situation can be traced to some extent to an influx of men from other centres. Toronto's reputation of not letting any man go hungry appears to be a magnet to many of these people, although I might say that the city of Toronto has a rule that no man can get relief until he has lived in the city a certain length of time. Seventy-three thousand men in the past six months joined the exodus to the United States according to the United States Labour Bureau report for January last and intend to reside there permanently.

Here is a chart prepared by Mr. George Ross, of the city of Toronto. It shows the peak of unemployment and gives the amount of money that has been spent by the city and by the government on different works. It is well over 1¼ mills on the dollar a year.

I have here a return that was brought down to the House showing the amount that has been spent by this government in the relief of unemployment in the fiscal year 1919-1920. The figures are as follows:

Toronto..	$625,526 08
Hamilton..	58,069 59
Winnipeg..	249,944 16
Vancouver..	464,470 51
Montreal..	999,917 22

The attitude of this government is that they have nothing to do with unemployment, but under the British North America Act I contend that they have jurisdiction to deal with immigration, the trade and commerce of the country, the banking laws, the tariff and many other matters. I think the time has come when a new policy should be pursued regarding immigration. There should be a close season for immigration, and there should be some authority checking up the immigration authorities in the Old Country, and checking up the transportation companies who are so greedy to get people out here that they will bring them at almost any price. During the years 1918 to 1921 the government made a grant towards the relief of unemployment on the basis of paying part of the excess cost of certain public buildings. It worked out well and helped to relieve the situation. Unemployment relief always has been and must necessarily be a Dominion matter, in my opinion, for the reasons I have given. The municipalities are doing their part to relieve unemployment. Toronto has spent nearly a million dollars; it will be a million and a half if something is not done to help them before they get through.

This question is one of the most important that is before the people at the present time. It is one of the first principles of government that the government should look after the health, comfort and prosperity of its people. In the days of Lord Palmerston when a British subject got into difficulties in Africa in connection with the Ashanti expedition, the government spent several millions to relieve him, the policy of the British government was to maintain the principle expressed by the words civis Romanus sum—"I am a Roman citizen"; that is, in this case, "I am a British subject."

It is the duty of this government to do something for the liberty of the subject in regard to unemployment. It is to be noted that in the Old Country they are taking action in regard to emigration; a question was asked in the British House of Commons the other day on the subject. They are going to check up this matter and find out who is to blame for certain conditions with respect to emigration from England to Canada. Representations are being made there with a view to bringing agricultural labourers to Canada from the Old Country, where the average return for agricultural labourers is about twenty-nine shillings in wages a week. No wonder they are anxious to get away from England. These people are being told that times in Canada are good, that the conditions are favourable and that there is plenty of work, so that the responsibility is on the government, not only under section 91 of the British North America Act, but because of representations made in the agricultural counties in the Old Land by transportation and government agents with regard to conditions here. Many of the men who are coming here from the Old Land are returned soldiers. Figures available from Toronto indicate that 247 of the men out of employment there are Imperial ex-soldiers who were brought out to Canada on the understanding that work was good, but who when they came here found themselves a charge on the social and municipal institutions of the country. It is not fair to large centres of population in Canada which are bearing the peak load of the taxation of the country that this condition should exist. Forty-nine per cent of the total income tax collected throughout Canada is paid by Ontario. Twelve or thirteen millions of the total tax are paid by the city of Toronto. Toronto is an over-taxed city. The people of that city contribute over $100,000,000 to the federal exchequer and it is not their function, it is not their right, to pay for the upkeep of harvesters, for instance, who are sent back from the west, several thousand of them dumped there for the winter months.—

Toronto is a dumping ground for unemployed from all over. Many of these men are British born, many of them returned soldiers. We have a large number of social workers in Toronto. Almost every church has a social agency of its own and is endeavouring to take care of its own unemployed, but that is impossible. Thousands of people from all over Canada, from England, Ireland and Scotland and the west have been dumped in our city. I do submit that the government of Canada could be engaged in no better work than that of taking up with the governments of the provinces and with the municipalities, the churches and various social organizations, this question of unemployment. The best intelligence, the best thought, the heart and conscience of every one in Canada should be brought to bear upon the solution of this unemployment question and the immigration problem as it affects unemployment. If the government will do this they will be doing something to make Canada a happier and a better country to live in.

Mr. J. J. DENIS (Joliette): Mr. Speaker, I do not wish to be severe in my reference to the resolution introduced by the hon. member for Centre Winnipeg (Mr. Woodsworth), but it seems to me to be the most insignificant resolution that was ever presented to this House. Not only is it insignificant; it is unjust to the rest of the community. It is no credit to parliament that a resolution of this character should have been debated at such length; much less is it a credit to the hon. member who proposes it.

Now then, what is the resolution? It reads:

> That, in the opinion of this House, if at any time during the first two years after his arrival in Canada any immigrant is unable to obtain employment, the federal government should accept full responsibility for his maintenance.

Let us examine this proposal and see what it really means. First of all, I submit that it is a fallacy of the worst kind. If effect was given to this resolution by the Parliament of Canada and by the government it would mean that immediately thereafter any immigrant coming to Canada would be guaranteed for two years against any risk of unemployment. What would be the significance of that provision? Is it right and fair that the people who have come to this country and have shared the risks that every other citizen has shared should be discriminated against, should not have an equal chance with those who now come from other countries? What about the descendants of those who settled this country years ago? They are not covered by this resolution, though they may be two years or three years without employment. What about our forefathers who settled this country three hundred years ago?

Mr. IRVINE: Does my hon. friend suggest that they are out of a job?

Mr. DENIS (Joliette): Just a minute; I will answer that. The man who comes from the Old Country should come here on an equal footing with all other citizens; he should not be given a preference, as he would be given by this resolution. We have not in this country any insurance against unemployment; it does not exist for the descendants of those who came here three hundred years ago, yet the hon. member for Centre Winnipeg (Mr. Woodsworth) wants it to exist for those who have been here not for three hundred years, or one hundred years, or one year, or one month, but for one day. Is the man who comes to this country as an immigrant, to share the lot of the people of this country—is he to be protected over and above everyone else and at the expense of those who have been here for years and years? It is the most ridiculous proposal, Sir, that has ever been submitted to parliament.

Let us examine the situation as it exists in Canada. We have in the city of Montreal, in the province of Quebec, thousands of people who are without employment and who have been without employment for months and perhaps years. The same condition exists in Toronto and in all the large cities of Canada. Should the government take it upon themselves to accept full responsibility for the maintenance of these people? Not at all. Time and again the federal government have declared that unemployment is a matter to be dealt with first of all by the province; then by the Dominion. This resolution would place the problem of unemployment upon the shoulders of the federal government in so far as it concerns immigrants who have come into this country within two years, but so far as the rest of the community is concerned the government would not be responsible. This resolution goes further, and demands that a guarantee be given. If this resolution were passed into law, anyone coming to this country as an immigrant, would have a guarantee, a pledge, a contract, or an insurance policy that if he did not find employment within two years he would be supported by the government.

An hon. member said a minute ago that this resolution would not apply perhaps if the immigrant could get employment say for one day in two years. That is not my interpretation of it at all. If during the two years any immigrant is one week without employ-

ment, under this resolution he would be entitled to maintenance. In other words an immigrant is guaranteed employment for two years the moment he comes into Canada. We have had immigration into this country for a great many years and there has been immigration into the United States for many years, but never in this country or in the country to the south of us have we ever seen such a preposterous proposition as the resolution now before us. This resolution asks the government to pay a subsidy, pure and simple, to those who come to Canada and cannot get employment. I submit that this cannot be done. It would be unfair to the rest of the community. As I stated at the commencement of my remarks, this resolution had been discussed at too great length. I will take my own advice, resume my seat, and ask the House to reject this proposition.

Mr. WILLIAM IRVINE (East Calgary): The hon. member who has just spoken (Mr. Denis, Joliette) has made a bold effort to prove that the resolution the House has been considering all day is the most ridiculous thing that has ever been presented to this parliament,—did he add for a century or more? I do not know whether he included all parliaments or simply this one. But there are at least two other things that I could mention that are more ridiculous than this resolution, even granting it to be ridiculous. The first thing that appears to me to be more ridiculous is the position taken by my hon. friend himself (Mr. Denis, Joliette) in relation to the situation with which the resolution endeavours to deal, and the other thing that is more ridiculous is the position of the government itself, directly responsible as it is for the situation with which the resolution deals, and yet that government has absolutely nothing to say with regard to the condition which it has created. It has absolutely no solution for the problem that it has placed upon the shoulders of the people of the country.

Mr. MURDOCK: Is it not a solution for the government to state that it is in a position to place every man who is ready and willing to go on the land?

Mr. IRVINE: If solutions lie in what the government says, all the problems of Canada would have been solved long ago, but it is not what the government is saying that I am thinking of, it is more what they are not doing that concerns me. My hon. friend knows perfectly well that he is not in a position to place everyone that may apply for work. He might say so, but that is another thing that is more ridiculous than the resolution; so much more so that I shall not take time to answer it.

Let me turn now to the resolution itself. It may permit of a very wide discussion of the whole unemployment question, but the idea of my hon. colleague in moving it was to confine the discussion to the particular phase of the unemployment question as related directly to the government's policy on immigration. I have no quarrel with those who have widened the discussion. I am quite willing to admit that the whole question of unemployment involves government policy as well as other perhaps more fundamental conditions. But I am not going to deal with the question in a general sense. I will confine myself to dealing with that particular phase of the unemployment situation that is mentioned in the resolution.

May I say at the outset that I am not opposed to immigration, and I am quite sure that the hon. member for Centre Winnipeg (Mr. Woodsworth) is not opposed to immigration; neither have I heard anyone who has spoken on this resolution to-day express any opposition to immigration, all of them being willing to see the population of Canada grow. The position that we take is that we want to see an immigration policy that will be at least fair to the people who are here, fair to the people who come here, and that will have regard to the economic conditions pertaining in the country at the present time. Suppose that the government were in charge of a ferry boat; that ferry boat would carry only a hundred people, and there are a thousand people to go across. There is lots of room on the other side, but the ferry boat can only carry a hundred. The government insist on loading a thousand people on the boat, which would sink it. We advocate that they should take one hundred at a time until all are safely across. That is the kind of immigration policy we want. We want the government to adopt an immigration policy that will place people in Canada no faster than we can absorb them into our industrial life, whether they go to the farms or to any other part of our industrial life. That is our attitude towards immigration. We do not wish to close the doors of Canada against all immigrants, but we certainly do not wish to have immigrants brought into the country faster than they can be accommodated. Further than that, we not only advocate a carefully regulated immigration policy, but we are anxious to see this government adopt some economic policy which will provide, not only for those that are in Canada but also for as many as we can possibly bring in. The responsibility for the solution of our immigration policy rests on the should-

ers of the government. They must find an economic policy that will make it worth while for people to come here, and then the whole problem of immigration will be solved.

The expressed meaning of this resolution is to bring to the attention of the government some of the results of its own policy, and to urge upon it the necessity of accepting the responsibility for that policy. It may be ridiculous, as the hon. member who has just spoken (Mr. Denis) terms it, for the resolution to seek to guarantee either work or a living to all immigrants for two years, and it may be unfair, as he says, but it is equally ridiculous and equally unfair to bring thousands of people to this country when we already have more people than we can provide work for. That is unfair, not only to the people who are here workless, but equally, if not more unfair to the immigrants. Moreover, in Great Britain, the country from which the government pretends, at least, to seek the larger percentage of its immigrants, they already have a guarantee against unemployment, not for two years, but for all their life. If my hon. friend wants to have an immigration policy that is going to be attractive, he will pretty soon have to guarantee something more than election platforms because the present condition of affairs in Canada will not remain long unknown to the people of Great Britain.

Let me draw to the attention of the government a specific instance that will justify the resolution. I quote from a letter received from an immigrant in the city of Calgary, and I hope the Minister of Labour (Mr. Murdock) will see to it that this gentleman finds work quickly, or else finds what he is seeking in this letter. I will read it:

I came here with the third McDonnell party in August, 1924, to Red Deer, when I was taken to the farm to be employed; the farmer was not there and the S.S.B. agent, Mr. Smith, left me at another farmer's and when the man that was to employ me came, he told me I would have $25 and no board per month and I did not know where I was. I had to accept this pay for harvesting. Well, I was returned to Indian school and left for bush work but was called back owing to my wife threatening to take my children's life (a job I often think now of). After that episode our deportation was ordered and we started back to the Clyde, but the wily Rev. McDonnell met us and told us Mr. Woods, S.S.B. superintendent at Calgary, had a job for me, but when I went to him—no job, and for three weeks he left me going daily until he offered me five dollars per month and I have since put it in the Calgary Herald of the 7th instant. Well, sir, I am now up against it and I am not allowed relief here and I beg you to use your power—

Note the word:

—to have my temporarily suspended deportation put back into effect, before something very drastic happens, as I don't intend to see my wife and family starve, so please do your best for the sake of my children. I may state, sir, I was employed as a boiler man the day before I left Glasgow with the corporation.

[Mr. Irvine.]

I presume he means by "corporation" the group with which he came here under the Rev. Mr. McDonnell. If hon. members will recall the wire of Mayor Webster which was given to the House by the Minister of Labour, they will note that he referred to a large number in a position similar to that described in the letter, who had come to Calgary under the immigration policy of the government, but who had not been long enough in that city to come within the limits of the provisions made by the city with regard to relief. As a result these poor people were and are suffering. Surely it is ridiculous for hon. members on the other side of the House to object to this resolution on technical grounds, when men like the man whose letter I have just read, brought here by the policy of this government, are starving and threatening to destroy their families rather than see them starve.

Mr. MURDOCK: Will my hon. friend let us have privately the name and address of that family?

Mr. IRVINE: I am sorry that I forgot to read the name and address. It has just been whispered to me that I had better not make it public, but I shall be glad to pass the letter over to the Minister of Labour now. I do not, however, suppose the gentleman who wrote the letter would object to having his name published. That there is a direct connection between the government's immigration policy and the suffering of many people needs no argument. A large number of individuals as well as municipalities and cities are actually suffering to-day because of the blunders of the present government. I read to-day, before the orders of the day were called, a despatch from Lethbridge dealing with the importation of Japanese, Scotchmen and Russian-German families in connection with a new industry that is to be started in southern Alberta. I am glad to think that we are going to have another new industry in southern Alberta, but I think the position taken by the Trades and Labour Council of Calgary, whose letter I have in my hand, is one that ought to commend itself to the present government. This is a letter from the secretary of the Trades and Labour Council at Calgary:

The above council desire to know if the statement is correct—

That is the statement which I read to the House this afternoon from the press.

—and if that is so, would point out that there are at the present time thousands of able-bodied men unemployed in this province and have been for some considerable time, many of whom at the present are receiving relief from the provincial government to keep them from starvation.

We would therefore request (that is if the application has been made) that before it is conceded to that serious consideration will be given to the existing conditions here, as above stated.

The point in connection with this letter is that the company which is about to start a sugar factory in southern Alberta has, I understand, received a Dominion charter, and the Trades and Labour Council of Calgary urge upon this government to use its influence to the end that this company shall employ working men now in Alberta rather than import Russian, German, Japanese and Scotch labour. To that question this morning the government gave not an answer, but a sneer. They refused to recognize the relationship between conditions now existing in this country and the immigration policy which they have been following. It has been alleged by some hon. members who have spoken on this resolution that there is some idea of offering the resolution as a remedy for unemployment. Nothing, of course, could be further from the intention of the mover of the resolution.

The remedy for unemployment, we are aware, must be deeper than the resolution suggests. Again I will recall to the attention of hon. members the fact that this resolution intends to deal only with one small phase of the question, one that is pressing at the present time, and that is the question of those unemployment who have come within the last two years as a result of the present government's immigration policy and who are threatened with starvation because there is no municipality that can undertake their support, seeing that many of them have not been long enough in the community to come within the scope of the relief arrangements now existing.

The full intent of the resolution is to see whether the government is prepared to accept responsibility for its own policy. It does not necessarily imply, as the hon. gentleman who has just taken his seat would seem to indicate, that the only way that the government can discharge its responsibility for the immigrants who come in under its policy is to give doles. It does not imply that this is the only way. My colleague (Mr. Woodsworth) suggested some other means; I would suggest another, and that is that the government should deport every one of those immigrants for whom it is unable to find work. That would be accepting the responsibility for its policy, and perhaps it would cure the government, equally as fast as having to pay money out, if it had to haul thousands of people back every year whom it had been instrumental in bringing out. That in itself might be a means of bringing the government to a knowledge of the real situation.

After listening to the remarks that have been made so far in the debate I have summarized them in my own way. The government in dealing with the situation has no policy and is proud of the fact. The leader of the Progressive party (Mr. Forke) has no policy and frankly confesses so, and for his honesty I commend him. Honourable members of the official opposition profess to have a policy, whether it is good or bad. Now I would say that if the mere attempt to do something is any reason why this government should be supported in its policy of subsidizing ships as was alleged by government supporters, then perhaps one might vote in favour of the policy proposed by the opposition on the ground that at any rate it is something more than the government proposes to do in connection with this situation. The fact is that the government proposes nothing and appears to be rather glad of having nothing to propose.

Mr. MURDOCK: The government does propose something: it proposes to put any immigrant who is ready to work on a farm where he can get work.

Mr. SPENCER: Would the government do the same for the unemployed?

Mr. MURDOCK: It has not so indicated and my hon. friend knows that probably that might be impossible. But so far as immigrants are concerned the position of the government is that those who are ready and willing to work may get work.

Mr. IRVINE: I am going to deal with the proposals of the minister. But let me say in passing that if the government now proposes to find employment on the farms for all the unemployed of Canada I personally regret that they did not come to this conclusion some years ago.

Mr. MURDOCK: I did not make that statement. I know the hon. member does not want to misquote me but I must decline to let him put words into my mouth. I said no such thing. It would not be bad for the hon. member to stick to the truth if he has an argument.

Mr. IRVINE: My hon. friend is warm and he charges me with misquoting him. Perhaps he will state again exactly what he did say, because if he did not say what I have

stated he must have said something far less important.

Mr. MURDOCK: I stated that the policy of the government according to a statement of the Deputy Minister of Immigration in charge of matters appertaining to the Soldier Settlement Board, which statement I read to the House, was that any immigrant who was ready and willing to work could be placed on a farm to work.

Mr. IRVINE: I understand then that the government has developed a new policy, which is to put on a farm any immigrant who is willing to work. Well, I presume that the immigrant can find work there all right. But I wonder whether he will get union wages? I could not dream of the Minister of Labour, a labour man for twenty-three years, advocating the placing of men on farms to work for nothing or even to work for a cent less than union wages, and certainly not to work for less than would be required to maintain their families and themselves respectably. My hon. friend is quite aware, I have no doubt, that in winter in this country he cannot place men on the farms nor can he get wages for them there. He knows perfectly well that that is not a solution, and I venture to say that a month from now it will be necessary for hon. members of this House to be again asking the Minister of Labour what he will do with some of these people. The policy that he has just announced is as ridiculous as some of the supporters of the government think this resolution to be. The minister in dealing with the resolution began in his usual style. He told us that there was unemployment some ten or twelve years ago; and I think that question was first raised by the hon. member for Last Mountain (Mr. Johnston) when one hon. gentleman to my right was speaking, asking if there were not very many unemployed in the year 1913-14. There were many unemployed in 1913, I have no doubt. I am sure that all hon. members will agree with the Minister of Labour that there were many unemployed at that time.

Mr. MURDOCK: The hon. gentleman cannot show one word in Hansard—and we will send and get it—indicating that the Minister of Labour referred to the year 1913. Again he misquotes.

Mr. IRVINE: I do not think that the minister will gainsay my assertion that he referred to the unemployment situation at that time when the now official opposition was in power. Did he or did he not refer to that period? He may not have used the words 1913 but did he not refer to that period? If he did not I shall be ready to apologise; but I am quite sure he did. He dealt with unemployment in the United States, pointing out that there were twenty million people there out of work, and his logic was that since there were twenty millions unemployed in the United States there was ne reason why we should consider pressing this resolution. That is the reasoning of the Minister of Labour. But while he touched on the unemployment of the past, and while he was rather enthusiastic in describing the unemployment of the United States, he had very little to say, about unemployment in Canada —very little indeed. In dealing with that question he explained to us about great numbers of our unemployed being unwilling to work at all and who perhaps could not work if they tried. This unwillingness or inability to work he attributed largely to our returned soldiers. Then he explained about the errors of judgment on the part of the miners in Alberta, as the true reason why they were unemployed. But what of the real bona fide unemployed,—are there not any? Are all these resolutions that are coming to us, are all the stories in the public press, are all the deplorable conditions in Nova Scotia to which even Russia has responded to ameliorate—are all these pipe dreams, or is there some truth in them? The hon. Minister of Immigration (Mr. Robb) replying to the mover of the resolution (Mr. Woodsworth) is just about as vague and hopeless as the Minister of Labour. He says in effect: We have always had unemployment, and we always will have. And since we are always likely to have it, he seems to indicate that the best thing we can do is just to accept it as part of our philosophy and not pay much attention to it. Those were not the words of the hon. gentleman, but certainly they express the only logic that one can draw from his remarks.

Now, Mr. Speaker, in view of the fact that the government has no policy for unemployment, in view also of the fact that some of its own supporters have characterized this resolution as being ridiculous, and in view further of the fact that the Minister of Immigration positively refuses to have anything to do with the resolution and states his intention to oppose it, I beg to move, seconded by the hon. member for Bow River (Mr. Garland) the following amendment to the resolution:

That all the words after the word "House" be struck out and that the following be inserted: the government, having no satisfactory policy either for alleviating the suffering of the victims of unemployment, or for providing a remedy for the evil, shall resign.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, the question before the House is in my opinion one of the very important questions that come annually before us and one that we cannot put aside. The problem has not only been with us in the past, but it is growing in the present and will grow to a still greater extent in the future. The resolution put forward by the hon. member for Centre Winnipeg (Mr. Woodsworth), to which an amendment has been moved by the hon. member for East Calgary (Mr. Irvine), is of such importance that I cannot see how any government can afford to ignore it. The federal government has a distinct responsibility with regard to unemployment, because it controls certain policies which have a direct relation to the subject. For instance, the federal government has complete control of fiscal policy, and it has complete control—if it cared to exercise it—of financial policy. Both of these policies, handled in certain ways, have no doubt been the means of increasing our unemployment from year to year, and will tend to still further increase it. The federal government also has control of our railway policy, and in that respect it has had a great deal more to do with the present unemployment than a good many members may appreciate. Some ten to fifteen years ago this country went wild over railway building—charters were granted very liberally, in fact too liberally, by this House, and promises were made all over the country that railways would be constructed, and these promises were particularly numerous for western Canada. Thousands of immigrants settled along the proposed railway routes, and to-day they are becoming discouraged because they still lack the long promised transportation facilities. In many cases these disappointed settlers will not continue farming; they will drift into the cities and help to fill the ranks of the unemployed either directly or indirectly. Only this morning I received a petition signed by several hundred people asking for certain transportation facilities in their district that I know cannot possibly be given them for at least three or four years. They have been promised those facilities for the last fifteen years, and at last they are tired of waiting and are saying that if something is not done large numbers of them will have to go elsewhere.

An hon. member to my right, I think the hon. member for West Toronto (Mr. Hocken), mentioned that some people seemed to think that unemployment is come to stay, but he hoped and believed they were not correct. I cannot agree with the hon. member. I claim that not only has unemployment come to stay, but that it will get worse in the future. It is a perfectly natural law that this should be so under our present system. To-day, science aided by invention is continually producing machinery to take the burden off the shoulders of men and transferring it to machines. We might say that on Mondays, Wednesdays and Fridays we invent new machines to do without labour, and on Tuesdays, Thursdays and Saturdays we labour to find some means of doing away with the consequent unemployment that follows from these inventions. The federal government have control of the patent office. I do not say that they should not grant patents. I think inventors should be encouraged. I think we should look forward to the time when man will have less work to do and machines will have more. But if this transfer of work is going to increase the army of unemployed, we must find some means whereby they may gain a livelihood.

10 p.m.

When all is said and done, unemployment is simply the reflex of the need of purchasing power. Whenever we have a great need for purchasing power we find the ranks of the unemployed increased. This is one of the problems that the government does not appear to have attempted to solve. The problem of financial reform has been brought forward in this House from time to time during the last few years. It has been something quite new, and has met with the usual fate of new suggestions. In the first year it was brought up, I think it was in 1922, members took no notice of the suggestion at all. In 1923 it was ridiculed. In 1924 the subject and the hon. members who proposed it had nothing but abuse thrown at them. But in future years I have not the slightest doubt the time will come when the government of the day will realize that this problem has got to be faced, and that the control of finance, with the control of other important matters must receive more attention from the government of the day. It is because the federal government have control of such important matters as the fiscal and financial policies of this country; control of the patent office, through which new machines are being continually permitted to be brought into action, and which are taking the place of man's labour; and because they also have control very largely if not entirely, of the matter of immigration, that I think the resolution before the House to-day is very much in order. I would have supported the resolution if an amendment had not been moved,

and I shall have pleasure also in supporting the amendment.

Mr. E. J. GARLAND (Bow River): The hon. member for Fort William and Rainy River (Mr. Manion) addressed some remarks to the House relative to the charges that had been made against the right hon. leader of the opposition, charges of being a pessimist, a blue-ruinist, and all that sort of thing, simply because he had described unemployment conditions in Canada. I thought the hon. member for Fort William and Rainy River was hardly justified in giving his leader credit for all the abuse that has been heaped upon him in that regard. If my memory serves me right, about three years ago members in this corner of the House pointed out the very things that are now agitating the mind of the opposition, and described the conditions as they existed then, and continue to exist to-day. We were called blue-ruinists too; we were called defamers of Canada; we were called grouchers, pessimists, and all the rest of it It did not hurt very much; it does not matter, when you know you are telling the truth, what others think of you These are the conditions that exist, and that must be faced by this government. The government does not want to face them; that is quite obvious; but they must face them sooner or later. The government's position reminds me very much of the definition of an optimist. A pessimist is an hon. gentleman like my hon. friend the leader of the opposition. If he has a toothache, he complains about it; so do I. He makes things pretty miserable for everybody around him until he gets that toothache cured or something happens to the tooth. But my hon. friends opposite thank heaven they have a tooth to ache. Just so it aches, let it keep on aching; it makes no difference so long as they have the tooth. But they forget that a tooth, like everything else, is subject to even worse conditions than mere aching, and if the trouble is not attended to, decay of the pulp sets in, and the tooth has to go. I would suggest that they take steps to change these conditions before the tooth goes. It is aching pretty badly. Some men are actually asking for deportation to-day.

I would like to quote a letter over the name of the Danish consul at Vancouver, Mr. W. W. Ward. This letter is a very striking one, coming from a person occupying the position this man does. He writes the mayor of Vancouver as follows:

> I have to submit to you the fact that owing to representation being made by the Dominion government, the Canadian National Railways, and the Canadian Pacific Railway, in Denmark, that a number of Danes are emigrating to Canada, and very many of them are coming to Vancouver, having been led to believe, so they tell me, that they can secure entrance to the United States through this port, and on arrival here find it impossible to do so. There being a very great lack of employment, and these men as a rule being without funds, come to this consulate for assistance, and despite the fact that they are willing to work if employment can be found for them, they cannot secure it, and I fear that during the winter many of these emigrated citizens will call at this consulate for assistance, and you can readily understand that the Danish government cannot undertake to take care of its emigrated citizens, and must maintain that it is the duty of every civilized community and country to provide food and lodging for all persons within their sphere. It is therefore my intention, in each case of Danes who are out of funds, to refer them for food and lodging to the municipal authorities, and I will furnish these citizens with a letter to you asking you to provide food and shelter for the party in question, and I feel sure that you will recognize that it is the duty of the city to provide board and lodging for all unemployed, and if you do not desire to do so for foreign subjects, to repatriate same.
>
> I have the honour to be, sir,
>
> Your obedient servant,
>
> W. W. WARD,
>
> Royal Danish Consul.

This letter was read at the unemployment conference by the mayor of the city of Vancouver, who said quite frankly that that city had its own problem in looking after its own Canadian citizens, without being compelled by this government to look after the unemployed immigrants brought in as a result of the government's immigration policy. This was submitted by the mayor as one of a long list of items of evidence which he brought to support his side of the subject. I will quote further from him. He says:

> I have here a statement from the Joint Sewage Board of the city of Vancouver, which shows that we have held back work to the extent of almost $400,000 for the winter months. But that is only a small amount. That will practically take care of only our own citizens, who are the deserving people, who have helped to build our city, and who must be considered first.

They were prepared apparently to look after their own Canadian citizens, but they certainly looked to this government, and in my opinion they were justified, to give them some relief in the matter of looking after the unemployed immigrants who were brought in here. Further on he says:

> So if the government is not in a position to assist materially in taking care of the unemployed this winter where work can be carried on, I can assure you that as far as the western provinces are concerned the municipalities are not in such a position. What is going to become of the large immigration that is coming into the west this year? They are a fine class of men that have come in, but some of them may not be able to speak the English language. We have not the wherewithal to provide for them. Our own citizens must come first.

Again:

So far as the Pacific coast and the province of British Columbia are concerned, being perhaps the only representative from there, and being instructed by practically all the municipal councils around there, I want to assure you that we are not in a position to take care of any unemployment outside of our regular citizens, and if those strangers within our gates are to be looked after this winter it devolves upon the powers that be, who brought them to our country, to feed them when they are hungry.

The mayor of Toronto, Mr. Hiltz, says:

I think that if there is any responsibility in connection with unemployment, we ought to consider also where the responsibility lies. If it is true that the federal government have been bringing immigrants out here and there is nothing for them to do when they get here, then it seems to me they have aggravated the situation, and the responsibilty is theirs to that extent.

If it is true—

And I would commend this to the attention of the Minister of Railways (Mr. Graham), who raised this point:

If it is true that the provincial government have done likewise, they are to blame. Men have been brought out presumably for the purpose of going on the farms. As someone has stated, they have said they wanted to go on the farm, but have said it simply for the purpose of getting here, and after they got here they went where they liked. If in that respect the provincial government have aggravated the situation, the responsibility is theirs.

And, by the way of digression, if it is true that the Canadian Pacific Railway have notices up at Wembley that there is plenty of work here in Canada for men, and if in Montreal they have notices up that they have no work for men, then it seems to me there is a share of responsibility on the Canadian Pacific railway. Whether it is their thought to get a lot of men out and because of the unemployment situation to get cheap labour, or not, I do not know. They know perhaps better than I.

And so on, Mr. Speaker, through this entire book, which is the report of the national conference regarding winter employment in Canada. We find mayors from cities east, cities west, cities central, bringing down the same story to this government, that so far as their own citizens were concerned they were prepared to consider looking after them, but so far as unemployment as the result of immigration policy was concerned they demanded that this government recognize this responsibility—and that is all that this resolution of the hon. member for Centre Winnipeg (Mr. Woodsworth) asks. We find that Mr. Blatchford, mayor of Edmonton says:

We have depending on us unemployed and sick trappers, traders, prospectors; pioneer settlers who went into the Peace river country and have been slowly going "broke" on account of poor transportation. We have all those to deal with. Our hospital facilities are the largest on the American continent. In taking care of the sick people in that particular part of the country our civic hospital, which is operated by the city, is costing the citizens of Edmonton $500 a day, not to mention what we donate to other hospitals. We have donated to charities in the neighbourhood of $300,000 a year, and this year we have doled out to welfare boards $42,000.

That city was looking after its own people. He says further:

As far as the city of Edmonton is concerned, we are quite willing to try to take care of our own—the married men first and the single men next—but we cannot take care of outsiders. We have a little work in view. If it is passed by the Canadian National Railway Board to-morrow, we shall have a half-million dollar subway to be built this winter. That will assist us greatly and will probably relieve the situation to such an extent that we can meet it; but at the present time, without some work in sight, we cannot do more than we are doing, and if we are going to be obliged to shoulder all the responsibility of looking after the Immigration Department's people, that are there now without work and without money, and also the harvesters who remain the year round, we shall be placed in a very embarrassing position and we absolutely cannot face it.

Again, Controller Tulley of Ottawa says:

We have a number of workers in the country to-day. We have not enough jobs for them. Yet there is a policy being carried on, I am led to believe, whereby more workers are being thrust upon the market, as it were—(I do not like to put it on the basis of the "market", but we will use that language as it is used) —and we have to provide more jobs; which we cannot do.

And so on, Mr. Speaker—oceans of that kind of testimony, not from one political party or the other but from mayors of cities, representing all political creeds; they have come here to this government and put up this story. Let me give just one illustration, one little individual case that I came across this winter in Calgary. A gentleman named Edward Evans writes as follows:

May I ask the pertinent question as to what is being done to provide work for the men now unemployed in the city of Calgary and in the province of Alberta?

I am a stranger in Calgary, having arrived here just a few days ago. I am also a stranger to Canada. I arrived in Montreal from Australia on July 1 of this year.

Now I am in your city seeking employment. I am prepared to take anything, anywhere, at a fair remuneration. The first thing, however, which I learned since arriving in Calgary is that right here in your city are hundreds of men situated as I am whose sole occupation is the seemingly hopeless one of attempting to find employment.

Is this quest to no purpose? Are the energies of these men to be spent in seeking what is not present? I ask the question for I don't know, I am a stranger within Canada's gates.

To me it all appears to be cruel, inhuman. In song and story, in alluring advertisements and in colourful newspaper and magazine articles I have heard and read of Canada, as the arcadia of the industrious, and of western Canada as the "Land of Opportunity" wherein no man need want. Is it all fable, is it all false, an intrigue and trick to lure the ambitious so that the competing force of their fellow men may grind them down in order that the wealth of a few be multiplied and the dollar-pile glorified above all things? Or am I mistaken? Perhaps I have entered Calgary at a particularly unfortunate

time; but I hardly think so, for if this were true there would be signs of public alarm. The quietude of press and public leads me to think that an unemployed army is a permanent condition in western Canada. That because it is normal there is no consternation, no thought, or little productive thought, as to how willing workers are to be provided with the means of decent, lawful livelihood.

You have only to walk the streets of the city to see hundreds of men aimlessly lounging about. These men want work, but there is none for them, yet daily this hunger-stricken class is enlarged and daily emigrants arrive in western Canada to swell the workless army.

Can you, Mr. Editor, explain matters, or can any of your readers offer a remedy? The welfare and lawful existence of hundreds depend upon it as well as

Yours faithfully,
Edward Evans.

A little time ago I picked up a report of the Publicity Commissioner of Alberta in which I found the following:

The sale has been announced of the 13,320 acre farm of George Lane at Namaka, Alberta, to a colonization company for an unnamed sum. The value of the farm is stated to be about $650,000. The sale is also announced of the Rosedale ranch in the Bittern lake district near Camrose, to colonization interests who it is stated, plan to divide the ranch into small farms for settlement purposes.

What does that tell us? It tells us that the old policy of exploitation of the settler who wants to go on the land is to continue. These colonization companies are not doing these things for their health, they are going to hold up the settler who comes in and wants to take up land, and this government is doing nothing to stop it—nothing at all.

Not long ago in Montreal a glass company applied for some men. What happened? I quote the following Canadian Press despatch describing this incident:

A near riot occurred this morning when several hundred men tried to get into the plant of the Dominion Glass Company, when it was announced help was wanted. The plant had been closed down for several weeks.

Early in the morning a crowd gathered in front of the plant. When the gate was finally opened the waiters found to their chagrin that former employees were given preference, while others were kept back by the watchmen on duty.

Those in the rear of the crowd becoming impatient as they saw men passing through the desired goal, commenced pushing and the men closed in more closely about the entrance to the property. The high fence around the property threatened to give way beneath their pressure.

It was at this critical moment that, after several warnings, fire hose kept in the plant was brought out and played upon the unfortunate and hungry mob.

It is this kind of incident, Mr. Speaker, that appeals to my sense of justice and my sense of the need of the making of some attempt to remedy this condition. The Acting Minister of Finance (Mr. Robb) rises in his place to-day and tries to dispose of this whole condition of unemployment as simply a matter of Conservative propaganda and non-existent, but a few hours later the Minister of Labour (Mr. Murdock) rises behind him and brands this very problem as the most important one that faces Canada to-day. Now, what is one to do with a government like that? What can be done with them? It is almost hopeless. We find in a Lethbridge paper, by the way, a paper which was quoted to-day, I think it was, by an hon. member and referred to by someone on the other side as a very good paper, the following:

The only work in these parts is to be found at the Lethbridge jail, remarked Magistrate Sanders in the police court Saturday, when Thomas McDougall, Alex Duncan, W. B. Lissett and Fred Vien were before him on charges of vagrancy. They explained that they had come into Calgary from Saskatchewan, looking for work. The magistrate told them that touring around from one place to another would hardly bring results, but he gave them a chance to get out of town.

That is the consolation the men got from the magistrate. They wanted work, that was clear. I have had men come to me on my farm; I have had men come to me at my apartment in Ottawa, pleading for work, evidently anxious for it—clean, upstanding, bright looking men, some Canadians, some immigrants, but no work for them. Yet hon. members to my left there—one in particular—talk about plenty of employment for everybody. I tell the hon. member who says it that some day he may join the ranks of those who are hunting for employment and he will not find it just as easy and pleasant a task as he appears to think it is and not so simple to secure a job.

I received the other day from one of the locals of the United Farmers of Alberta in my constituency a resolution which I desire to place on record. It indicates the attitude of the organized farmer towards this problem. It reads:

At a meeting of the Huxley U.F.A. a resolution was passed which I was instructed to forward to you with a hope that you may do your utmost in the matter.

Whereas there is a great amount of suffering in our province due to unemployment and whereas, among the sufferers there are many returned veterans, Be it resolved that:

We the Huxley branch of the U.F.A. ask our secretary to send this resolution to our federal member, asking him to use every effort in his power to help alleviate this suffering, especially among our returned soldiers.

There again you have another angle of the situation. The returned men from overseas who went over there to fight for their king and country, with that high idealism which inspired most of the young men at the outbreak of the war, now come back to find

that the country they fought for has not a job supplying a decent standard of living to offer them, and further we find that more than a hundred thousand returned Canadian Expeditionary Force men are now in the States. I think that is the statement of the hon. member for Vancouver South (Mr. Ladner). I noticed that one hon. gentleman said there was never unemployment in an agricultural district. Why, of course not. Why should there be? Just as soon as there is not a job on the farm, or the farm is dried out, the farmer has to go somewhere; he goes into the mines or to the United States or somewhere else. He cannot stay here and starve to death. He is not foolish enough to do that. A good deal of the work on the farm is work without pay. I remember an instance brought to my attention this last winter. A man came to me and said, "I went into Calgary and applied for a job, and a farmer came along and said "Come out to my place and work for ten dollars a month." The man said, "What do you expect me to do for that money?" "Oh," he said, "just a little hauling and choring around. It will not be hard." The man went out to the farm and found he was expected to milk ten cows and feed them night and morning, in addition to doing other chores. That was a deliberate attempt on the part of the farmer to exploit the unemployment situation and I am ashamed of that man. I would be ashamed of the manufacturer who would do the same thing in his factory. The Acting Minister of Finance (Mr. Robb) quoted with some unction a report of a speech made by Hon. Herbert Greenfield in Ottawa. I do not think the Acting Minister of Finance has seen the Greenfield resolution on immigration in the provincial house recently. I will just read one passage of it as follows:

> That while the responsibility for framing and carrying into effect immigration policies rests primarily with the Dominion government, the result of such policies seriously affects the welfare of the province in creating demand for extensions of provincial services, and making possible problems of unemployment.

So even Mr. Greenfield, the man accepted with such approval by the Acting Minister of Finance one moment, is quoted the next moment as having pointed out to the government their own responsibility in the matter. I think it is wiser for the government to divert the stream they have started flowing towards the shore, it is much wiser to divert it for a time than to float out our own people, and that is what is happening. These new immigrants cannot go over the line on account of the quota laws. They have got in here and the labour market is overstocked. There are many Canadians in this country who are anxious to get work at a decent standard of living, but they have to go somewhere else, and they go to the United States. The distant pasture looks green. In the Saturday edition of the Ottawa Citizen, page five, we find an interesting comparison, if hon. gentlemen would care to look at it. The first column is devoted to the story of the huge supply of food that was secured from the children of Ottawa to take care of the unemployed situation in Nova Scotia. It is headed:

> Huge supply of food brought on first pound day. Children expected to bring offerings directly to headquarters to-day. Twenty cases shipped.

Only three columns over we find another article:

> Large party of immigrants on the way to Canada.

In the one case the children gathering food voluntarily to help the unemployed conditions in this country, and in another column of the paper a part of the immigration policy of this administration—

Mr. McMASTER: Does the hon. gentleman not realize that when people come into this country they create a demand for goods, as well as being able to produce goods in the country?

Mr. GARLAND (Bow River): The imagination of my hon. friend for Brome (Mr. McMaster) is delightful. The men who come to this country only create a demand for goods when they have the funds with which to buy them, the purchasing power. Most of the people are brought in on an assisted passage scheme. That will be seen from this item in the citizen:

> Thirty families leave Liverpool under overseas settlement plan to work farms in Dominion.

And their passage is paid in advance. Now what is the use? How can these people implement the industrial activities of Canada. They have not the means to keep themselves. They require to have advances made to them. The government is as usual so far as policy is concerned vacant, empty. It is just not there, that is all. I have much pleasure in supporting the amendment of the hon. member for East Calgary (Mr. Irvine). I approve of the whole tone of the resolution, and it is quite evident from the speeches that we have from the government side that they have no constructive policy. They simply say, "We will promise we will put on a farm every man who wants to go there." What utter rubbish that is to those of us who know conditions out in the west. You cannot do that. You

could put men out there to work for nothing, but is that going to elevate the standard of men or improve conditions of the country? No. It is going to place in that district a lot of pauper labour which would be useless, and it would create conditions that are very undesirable. I have much pleasure in voting for the amendment to the motion.

Mr. W. F. CARROLL (Cape Breton South and Richmond): This is rather an important resolution. I do not think, if this House voted in the affirmative on this resolution tonight, it would be a cure for unemployment in Canada at the present time or in the future. There are some aspects of this question I would like to discuss, and as this is a late hour, I move the adjournment of the debate.

The House divided on the motion, (Mr. Carroll) which was agreed to on the following division:

YEAS

Messrs:

Archambault,	Logan,
Beaubien,	Lovie,
Béland,	Low,
Benoit,	Macdonald (Pictou),
Binette,	McBride,
Black (Huron),	McGiverin,
Bouchard,	McKay,
Boucher,	McMaster,
Bourassa,	McMurray,
Cardin,	McTaggart,
Carroll,	Marcile (Bagot),
Casgrain,	Martell,
Chevrier,	Michaud,
Chisholm,	Millar,
Copp,	Milne,
Delisle,	Morin,
Denis (St. Denis),	Motherwell,
Desaulniers,	Munro,
Descoteaux,	Murdock,
Deslauriers,	Neill,
Desrochers,	Ouimet,
Drummond,	Papineau,
Ethier,	Parent,
Evans,	Pelletier,
Fafard,	Pouliot,
Findlay,	Pritchard,
Fiset (Sir Eugene),	Putnam,
Fontaine,	Raymond,
Forrester,	Reed,
Fortier,	Rinfret,
Fournier,	Roberge,
Gould,	Robichaud,
Hammell,	Robinson,
Hanna,	Robitaille,
Hatfield,	Sales,
Hodgins,	Savard,
Hughes,	Sexsmith,
Hunt,	Sinclair (Oxford),
Johnston,	Sinclair (Queens, P.E.I.),
King (Huron),	Snowball,
King (Kootenay),	Steedsman,
King, Mackenzie (York),	Stewart (Argenteuil),
Lanctôt,	Stork,
Lapierre,	Thurston,
Lapointe,	Tobin,
Leader,	Warner.—92.

[Mr. E. J. Garland.]

NAYS

Messrs:

Black (Halifax),	Kellner,
Black (Yukon),	Kennedy (Edmonton),
Bowen,	Kennedy (Port Arthur & Kenora),
Brethen,	Ladner,
Brown,	LeSueur,
Charters,	Maclean (York),
Church,	Meighen,
Davies,	Ross (Simcoe),
Doucet,	Ryckman,
Fansher,	Senn,
Forke,	Shaw,
Gardiner,	Simpson,
Garland (Bow River),	Spencer,
Good,	Stewart (Humboldt),
Hanson,	Stirling,
Hoey,	Thompson,
Hubbs,	Tolmie,
Humphrey,	Ward,
Irvine,	Woods,
Jelliff,	Woodsworth.—41.
Jones,	

PAIRS

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

Messrs:

Power,	Mewburn,
Kyte,	Boys,
Clifford,	Stansell,
Duff,	Dickie,
Kay,	Wilson,
Malcolm,	Duncan,
Robb,	Stevens,
German,	Chaplin,
Sinclair, D. J.,	McKillop,
Marcil (Bonaventure),	Stewart (Hamilton),
Lavigueur,	Sheard,
Bureau,	Drayton,
Lovett,	Grimmer,
Putnam,	Ross (Kingston),
Vien,	Anderson,
Healey,	Church,
Gendron.	Garland (Carleton).

Mr. STEVENS: I was paired with the Acting Minister of Finance (Mr. Robb). Had I voted, I would have voted against the motion.

Mr. LOVETT: I was paired with the hon. member for Charlotte (Mr. Grimmer). Had I voted, I would have voted for the motion.

Mr. KAY: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted, I would have voted for the motion.

Mr. CHAPLIN: I was paired with the hon. member for Welland (Mr. German). Had I voted, I would have voted against the motion.

Mr. McCONICA: I was paired with the hon. member for Parry Sound (Mr. Arthurs). Had I voted, I would have voted for the motion.

Mr. STANSELL: I was paired with the hon. member for South Ontario (Mr. Clifford).

Had I voted, I would have voted against the motion.

Mr. GENDRON: I was paired with the hon. member for Carleton (Mr. Garland). Had I voted, I would have voted for the motion.

Debate adjourned.

On motion of Mr. Mackenzie King the House adjourned at 11.50 p.m.

Tuesday, March 24, 1925

The House met at three o'clock.

THE RECENT EARTHQUAKE

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, some days ago the hon. member for Charlevoix-Montmorency (Mr. Casgrain) asked a question of the government which was replied to by the Prime Minister, as to whether any information had been received by the government with respect to the effect of the earthquake in the province of Quebec. I have in my hand a report prepared by an official of the observatory who visited the earthquake area, and I shall be glad to read it out, or I can lay it on the table.

Report tabled.

CANADIAN NATIONAL RAILWAYS

BENGOUGH-WILLOWBUNCH

Hon. E. M. MACDONALD (For the Minister of Railways and Canals) moved that the House go into committee at the next sitting to consider a certain proposed resolution in favour of a measure with reference to a line of railway between Bengough and Willowbunch, in the province of Saskatchewan.

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

Motion agreed to.

REGINA-AVONLEA

Hon. E. M. MACDONALD (For the Minister of Railways and Canals) moved that the House go into committee at the next sitting to consider a certain proposed resolution in favour of a measure with reference to a line of railway from Regina to Avonlea in the province of Saskatchewan.

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

Motion agreed to.

DAIRY PRODUCE ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend The Dairy Produce Act, chapter 28 of the statutes of 1921, by providing that the Governor in Council shall have power to make regulations for refusing to grade dairy produce and for withholding grade certificates.

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

Motion agreed to.

MEAT AND CANNED FOODS ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend The Meat and Canned Foods Act, chapter 27 of the statutes of 1907, by providing,—

(a) That, for the purposes of the act, canned foods shall include foods that have been preheated, cooked, preserved, condensed, evaporated, dehydrated, dried or otherwise processed or prepared for food, and are placed in any closed can, bottle, package or container;

(b) That all canned fruit or vegetables or products thereof, or any food or food products which may be named by the Governor in Council, shall be offered for sale only in such cans or other containers as the Governor in Council may by regulations prescribe, and such cans or containers must contain the quality, quantity or weight prescribed by the regulations.

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

Motion agreed to.

DAIRY INDUSTRY ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend The Dairy Industry Act, chapter 7 of the statutes of 1914, for the following purposes:—

(a) to make further provision for definitions of Dominion Analyst, illegal dairy product, oleomargarine, package and renovated butter;

(b) to prevent the use of oil as an adulterant in butter, and to prohibit the keeping of foreign fats that might be used for adulterating purposes on the premises of any person engaged in the manufacture or manipulation of butter;

(c) to avoid the necessity of proving that foreign fats have been added to skimmed milk in cases of infraction;

(d) to provide heavier penalties for violation of the act;

(e) to authorize an inspector in addition to obtaining access to premises, to take samples, seize and remove illegal dairy products;

(f) to empower the Governor in Council to make regulations respecting the seizure and confiscation of materials and packages used illegally, and to control the size and dimensions of cheese hoops and cheese and butter boxes; and

(g) to permit of the registered number of any package being accepted as prima facie evidence of the identity of the manufacturer, and that costs of analysis shall, upon conviction, be included in the costs of prosecution.

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

Motion agreed to.

LIVE STOCK AND LIVE STOCK PRODUCTS ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend The Live Stock and Live Stock Products Act, chapter 18 of the statutes of 1923, by making provisions,—

(a) to facilitate business on the stock yards by providing that all moneys received on account of sales for live stock sold by a commission firm on behalf of the owner thereof shall be deposited in a shipper's live stock commission account instead of a shipper's trust account as at present;

(b) to provide for the licensing of egg buyers, egg collectors and dealers, and exporters of live stock, meat, poultry, eggs and wool;

(c) to amend the power to make regulations as to the manner in which eggs found to be unfit for human consumption shall be valued and disposed of.

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

Motion agreed to.

ROOT VEGETABLES ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend The Root Vegetables Act, chapter 43 of the statutes of 1922, and to provide,—

[Mr. Motherwell.]

(a) for a standard grade for onions or a uniform size, the abolition of the grade known as "sample quality" and the substitution of a grade to be known as "ungraded"; and for the definition of peeled onions;

(b) for permitting potatoes, onions, artichokes, beets, carrots, parsnips and turnips to be offered for sale by measure in quantities of one bushel or less instead of by weight, but the weight of the contents thereof shall be proportionate to the weight of the contents of one bushel of such vegetables, as prescribed;

(c) for making an inspection certificate signed by an official inspector prima facie evidence of the grade and condition of the vegetables or packages to which the certificate refers; and

(d) for exempting from the operation of the act certified seed potatoes only, as defined in the regulations under The Destructive Insect and Pest Act.

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

Motion agreed to.

GOVERNMENT PROPERTY, VANCOUVER

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): I would like to draw the attention of your Honour and also the attention of the government to a question on the order paper which I asked yesterday, as follows:

What amount of insurance is carried on property in Vancouver: (a) In the name of the Dominion government; (b) In the name of Vancouver Harbour Commissioners; (c) In the name of the Board of Grain Commissioners?

To which the hon. Secretary of State replied:

This information has to be received from Vancouver. It will therefore be some time before the question can be answered. The same applies to question No. 8.

Now, I am in possession to-day of a paid advertisement appearing in the Vancouver Province, and also an official letter to the Vancouver Daily Sun, of March 17, both signed officially by the secretary of the Harbour Commissioners, giving an answer to that portion of my question which the Secretary of State said would necessarily have to be referred to Vancouver. What I want to draw to your attention first, Mr. Speaker, is that I conceive it to be the duty of the government to see that information with regard to questions is given to the House prior to being published as an advertisement in the press; and secondly I desire to ask if the government will look into this matter and see that members of parliament are accorded the courtesy, which is their perfect right, of receiving these answers prior to the information

being given out in the form which I mentioned.

Some hon. MEMBERS: Order, order.

Mr. STEVENS: I will hand the Prime Minister (Mr. Mackenzie King) the document to which I refer.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am not cognizant of the facts, but I am pretty sure that the Secretary of State (Mr. Copp) gave to the House yesterday a statement in accordance with the memorandum sent to him from the department to acquaint him with the position. I have no doubt the Secretary of State gave to the House exactly the information given to him officially. Referring to what appears in the newspapers, I am unable to say whether it is correct or not. Certainly the government would not place its reliance on what appears in the press. We would like to have an official statement from the Board of Harbour Commissioners of Vancouver before making a statement to the House.

Mr. STEVENS: What I am bringing to my hon. friend's attention is that this is a public statement, signed by the Secretary of the Board of Harbour Commissioners, Vancouver, a servant of the government.

Mr. MACKENZIE KING: The point is as to whether the government itself has received this information from the harbour commissioners. I think there is no doubt whatever that the statement which the minister gave to the House is correct, and that so far official information has not come from the harbour commissioners. I hope that it may be possible to have it brought down speedily.

PORK—IMPORTATIONS AND RE-EXPORTATIONS

On the Orders of the Day:

Mr. R. K. ANDERSON (Halton): On March 4 last a question appearing in my name regarding the exportation of Canadian pork to England was changed to an order for return. Would the Minister of Agriculture (Mr. Motherwell) assure us he will bring down the return as soon as possible?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I assume the question my hon. friend refers to has been sent to the Minister of Customs (Mr. Bureau). His department has to do with the question of exports, and I will direct his attention to the matter.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF HON. J. A. ROBB, ACTING MINISTER OF FINANCE

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

That Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means.

He said: In presenting to-day the annual statement of the financial affairs of our Dominion, may I express the sincere regret, which I am sure we all share, that our hopes and wishes for a speedy recovery of the Minister of Finance, the Right Hon. Mr. Fielding, have not been fully realized.

The Public Accounts for the financial year 1923-24 were tabled in this House on the 9th of last month. The consolidated fund revenues or ordinary receipts are shown as $396,837,682.22, being $837,682.22 in excess of the estimate given to the House last session; and $2,222,782.22 over the corresponding receipts for the previous year. Other receipts amounted to $9,743,635.74, which brought the gross revenue to $406,581,317.96.

The expenditure side shows $324,813,189.75 for ordinary expenses, being a decrease of $7,480,542.34 under corresponding expenditures for the previous year. Capital, demobilization and other charges amounted to $19,208,597. The gross expenditure was $344,021,786.75, or $6,586,759.97 less than for similar services the previous year.

The public debt was decreased by the amount of $35,993,593.86. Since confederation decreases of debt have occurred in only nine of the fifty-seven years completed; $35,993,593.86 is the largest decrease of any of those nine years, being $10,375,758.83 greater than that for any previous year since confederation.

Debt Reduction—How Arrived at

May I, before dealing with the outcome of the year 1924-25, which ends on the 31st of this month, ask the indulgence of the House to refer for a moment to a contention advanced last session in this chamber that the reduction of debt by some $35,000,000 was arrived at by a departure from the practice heretofore followed in dealing with loans to the Canadian National Railway system. The fallacy of this contention was fully explained by the Prime Minister from his place in this House. My reasons for referring to this matter in a budget speech are not so much in the interests of the party to which I have the honour to belong as in the interests of all who make up our national life. The attack at the time was weakened by the fact that no two of the critics seemed able to agree on just how many millions were involved and

to what extent the debt should have been affected. During the recent recess of this House, these remarkable and fallacious charges have been reiterated in public speeches and also featured prominently in certain issues of the public press. Criticism of the public policies of any party is expected, but to step aside and charge an administration with altering the method of keeping our national records for the purpose of showing the financial position of the country to be other than it really is, brings with it a danger which I am sure is not fully realized by those carrying on such propaganda. We Canadians are in the process of becoming in the not far distant future a great nation. We are in the growing period. We must practise economy, but we must make such provision for the development of our country and of our transportation facilities as will be necessary to meet our growing needs. To meet the necessary capital charges required for national development we may need outside capital. If we require to go to a foreign money market for loans to be used for the development of this country, I submit there is danger that our credit, now at its highest point, may be damaged and that we may be called upon to pay higher rates for accommodation. It was not until I feared that such criticisms of the accuracy of our public records might result in impairing our national credit that I thought it worth while to take the necessary steps to have our balance sheet for 1923-24, the year concerned, examined by two of the most outstanding chartered accountants in Canada, men to whom no one could take exception. This was done for the double purpose of satisfying the people of Canada as well as those outside of Canada whose good-will and financial resources we might need in the developing of our country. On the 27th January, 1925, I received the auditors' certificate, a copy of which has been printed on the balance sheet on page 3 of the Public Accounts for 1923-24. The certificate reads as follows:

> We have examined the balance sheet of the Dominion of Canada as at March 31, 1924, and we certify that the balance sheet conforms to the balance sheets of previous years in not including in the net debt of the Dominion, issues of the Canadian National Railway company and companies included in its system, which carry the guarantee of the Dominion of Canada. Such guaranteed issues are shown year by year as indirect liabilities.
>
> GEO. EDWARDS,
> Of the firm of Edwards, Morgan & Co.
>
> W. GARTH THOMSON,
> Of the firm of Peat, Marwick, Mitchell & Co.
>
> Ottawa, Canada, 27th January, 1925.

[Mr. Robb.]

Canadian National Railways—Accounts

While guaranteed loans in the past have been issued for the purpose of taking care of deficits, capital and other charges, and treated in our public accounts as indirect obligations, I submit that it would be an ideal practice if, for the purpose of securing better terms in the flotation of Canadian National Railway loans, the guarantee of the Minister of Finance could be confined solely to loans raised for the betterment of the railway system; and in this respect this administration has been singularly successful. The railway system is now meeting its running expenses with a surplus left over for fixed charges. The railways are not called upon to pay out of their revenues interest on Dominion loans made to them by way of cash, although such is included in the annual railway budget as submitted from time to time by the Minister of Railways and Canals. They are thus relieved for the present from a very large annual commitment, and in consequence are able to carry on their capital and betterment requirements by loans guaranteed by the Minister of Finance. Net operating income surplus, together with the cash loans made by the government, meet the railway's fixed charges, which, of course, include interest charges on obligations held by the public.

May I here explain, for the information of this House and the country, the relationship of the Canadian National Railways' finances to the Dominion accounts? During war time stress it was deemed advisable, by the government of the day, in order to avoid a possible breakdown in our transportation facilities, to give substantial financial aid to the Canadian Northern Railway and its constituent companies. Very large sums of money were loaned to the company, the government taking as security railway interest-bearing bonds or demand notes. These interest-bearing bonds or demand notes were, until 1920, treated as active assets and they so appeared in the federal balance sheet, being deducted from our gross debt in determining the net debt of the Dominion. The present Minister of Finance, Mr. Fielding, in this connection made the following statement in the House:

> When the amount was not very great in proportion to our business, perhaps there was no need of any discrimination, but when these assets, under the operation of our railways, grew to very large figures, it became desirable or necessary that there should be discrimination.

He further stated:

> My predecessor in office very properly made that discrimination by dividing our assets into active and non-active.

The railway loans were, for the year 1919-1920, classified as non-active, thus increasing the net debt of the Dominion by the amount of the total of the then railway loans. The amount so added at that time by the immediate predecessor in office was $272,624,931.34. When the present Minister of Finance, (Mr. Fielding), took office, he continued the policy of his predecessor, and that policy is still being followed. Each year government loans to the railway company are added to our debt, and the company's own securities issued to the public carrying the guarantee of the Minister of Finance are, as formerly, set out in our public accounts as indirect obligations. To illustrate: on the 31st March, 1922, the net debt of the Dominion stood at $2,422,-135,801. On the 31st March, 1924, the net debt was $2,417,783,275, a decrease in the net debt of $4,352,526. The amount of loans to the railway company from the 31st March, 1923, to the 31st March, 1924, namely, $24,500,000, was added to the debt of the country. Fortunately, our financial condition was sufficient to more than offset this heavy addition to the net debt, and in spite of it we more than balanced our budget in that year by some $35,900,000. The total of our net debt, as of the 31st March, 1924, namely, $2,417,000,000, included the total amount of approximately $582,000,000 of railway indebtedness as up to that date.

The railway company from earnings are not yet able to meet the arrears of interest accumulated on our loans to the company. This government, following the policy of its predecessors, continues to relieve the company from the payment of interest. To do otherwise would require the increasing of our annual provisions in the estimates, thus adding to our debt on the one hand, and, after receiving back from the company the amount so provided in our estimates, crediting it to interest on investments account on the other hand, thus reducing our debt by the very amount by which we increased it. The total amount of these arrears of interest on the 31st March, 1924, was about $131,000,000, but it is not treated in our public accounts as an asset: it is held in abeyance only as an overdue account.

May I, before leaving this question of debt reduction, direct the attention of the House to the balance sheet of the Public Accounts at the close of the financial year 1923-24, page 2, where will be found among our assets an amount of $43,612,756.16, cash left in our hands after the closing of our accounts for that year; and I submit the question: Is not the actual possession of so much cash conclusive evidence that we ended that year with excellent results? For the information both of this House and the country, may I point out that of this amount—the savings made—$34,500,000 was segregated and deposited in an interest-bearing special account, until such time as the pressing needs of the country required it for our general purposes?

Last year the statement was made that during the fiscal year 1922-23 the Minister of Finance had paid out actual cash for all the requirements of the railway system for that year and that the same course should have been followed in the year 1923-24. It is perfectly true that during 1922-23 the Minister of Finance was able to meet the requirements in cash for all railway obligations including capital charges. In that year we received from the Imperial government $56,-000,000 towards liquidation of large outstanding obligations incurred by the Imperial government during the war. The Minister of Finance thus found himself in possession of a large amount of cash which was not the outcome of that year's taxation, and rather than issue securities to the public, and thus incur an additional obligation with its annual high interest charges, he wisely took the position that, in view of the high interest rates then prevailing, it would be better to utilize this cash for all the purposes of the railways and allow that part of it for capital requirements to enhance the value of the road.

Parliament has made provision for our railway requirements by authorizing the government to make loans to the railways for all purposes by way of cash or by way of guarantee, or partly one way and partly the other. This was the nature of the authority asked for by our predecessors in office and is still the form of authority given by parliament. Parliament does not authorize the government to issue loans for railway purposes, except by way of guarantee.

Mr. Speaker, I now ask that the courtesy of the House be extended to enable me to put into Hansard a tabulated statement supporting the remarks I have just made as to the allocation of government aid, by cash or guarantee, given to the railways:

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

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

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

Financial Year 1924-25—World Conditions

Mr. Speaker, before dealing with the present financial year, which closes on the 31st of this month, I would like to refer to the disturbed world-wide economic conditions which affected all nations so disappointingly during the year 1924. Early in the year a still more pronounced business depression swept the European nations. Their vexed unsolved reparations problem, with no satisfactory suggestions towards effecting a readjustment of their difficulties, brought discouragement and depression. This gradually spread until it affected Canadian industrial and business activities. The ratification of the Dawes plan, providing for the establishment of an internationally controlled gold reserve bank of issue for the purpose of stabilizing the credits and currency of Germany, now carries with it a feeling of relief and hope as the first promising solution of the reparations problem.

Revenues, 1924-25

It will be some time before all returns for the fiscal year ending March 31, 1925, come to hand, but we are to-day in a position to estimate closely for the balance of the year's operations.

The actual revenues received by the Department of Finance up to and including 28th February last amounted to $308,994,207.71. The amount of revenues yet to come when the accounts for the year are finally closed is estimated at $35,005,792.29. This gives a total revenue of about $344,000,000, being a decrease of some $52,800,000 under the revenue of 1923-24.

The estimated revenue from customs duties will be $108,200,000, a decrease of some $13,300,000 under the previous year. From excise duties we expect $39,200,000, an increase of about $1,000,000. We estimate that the revenue from excise taxes will be $85,000,000, a decrease of about $35,600,000. From income taxes we estimate $56,550,000, being an increase of some $2,350,000. From delayed business profits tax we will receive some $2,400,000, a decrease of $2,350,000. From interest on investments we estimate a revenue of $9,350,000, being a decrease of about $2,550,000. We expect to receive $28,100,000 as Post Office receipts, being a decrease of about $750,000. From all other sources we estimate a total of about $15,200,000, being a decrease of about $1,500,000.

Mr. Speaker, I again request the courtesy of the House in order to place on record in the form of a summary the figures which I have just given.

	Estimated Receipts 1924-25	Actual Receipts 1923-24	Increase	Decrease
Customs..	$108,200,000	$121,500,798 49		$13,300,798 49
Excise Duty..	39,200,000	38,181,747 33	$1,018,252 67	
Excise Taxes..	85,000,000	120,676,375 89		35,676,375 89
Income Tax..	56,550,000	54,204,027 99	2,345,972 01	
Delayed Business Profits Tax.. ..	2,400,000	4,752,680 89		2,352,680 89
Interest on Investments..	9,350,000	11,916,479 11		2,566,479 11
Post Office..	28,100,000	28,866,808 41		766,808 41
All other Revenue..	15,200,000	16,738,764 11		1,538,764 11
	$344,000,000	$396,837,682 22	$3,364,224 68	$56,201,906 90
		344,000,000 00		3,364,224 68
		$ 52,837,682 22		$52,837,682 22

Expenditures, 1924-25

Coming now to expenditures, it is estimated that when all accounts are closed the expenditure for the year on ordinary account will be $319,700,000 a decrease, as compared with the previous year, of some $5,100,000.

Taking the estimated revenue for the year ending 31st March, 1925, as $344,000,000, and the estimated expenditure chargeable to Consolidated Fund as $319,700,000, there will be a surplus of revenue over the ordinary expenditure of $24,300,000 available for capital, special and other obligations.

Capital expenditure for public works, including Marine Department, will amount to some $6,697,000.

Capital expenditure for railways and canals will be $11,800,000, of which $11,000,000 is for the Welland Ship Canal. From this amount $420,000 is to be deducted as refunds from previous years' expenditures,—$180,000 on account of the Welland Ship Canal; $141,000 on account of Hudson Bay Railway; $47,000 National Transcontinental Railway; $36,000 Canadian Government Railways and $16,000 from other sundry railway and canal services—leaving the net capital charges at $11,380,000. The total net capital expenditures for the year would therefore be $18,077,000.

Special expenditures will amount to $4,400,000, made up of: adjustment of war claims $475,000; cost of and discount on loan flotations for refunding maturing loans $3,350,000; Consolidated Fund transfer charges $575,000.

Balance, 1924-25

Comparison therefore of the total of expenditures on all government services, namely, —$342,177,000, with our estimated revenue receipts for the year, $344,000,000, will show that we have more than balanced the year's business on government services by the sum of $1,823,000; a remarkable result, I submit, in which Canadians may feel a justifiable pride when we realize that this year, as a result in part of our policy last year in reducing the burdens of taxation, we will receive from the people $52,837,000 less than in 1923-24; and may I repeat that notwithstanding this large reduction in our revenues we will end the present year with a surplus of revenues over expenditures of $1,823,000.

In addition to this surplus on government business over the year's transactions, the sum of $4,000,162 must be taken into account as an improvement in our financial position by an additional active asset having been added to our balance sheet, arising from negotiations begun in 1922 by our High Commissioner in London with the governments of the kingdoms of Roumania and Greece for the consolidation of our loans to those countries, with arrears of interest, thus placing their obligations upon a sound financial basis. The arrears of interest were: Roumania $3,520,636, and Greece $479,526. The High Commisisoner was successful in coming to an arrangement with these countries whereby such arrears were capitalized and additional bonds issued and transferred to the Dominion of Canada. The debts at that date, with the interest added as capital, were: Roumania $23,969,720, and Greece $8,000,000, making a total of $31,969,720. This increased asset over the capital amount of their debt, which previously stood in our books, was $4,000,162. Treasury bills previously deposited to secure the debt were backed only by the general credit of these countries. New securities given to the Dominion for the total indebtedness are further secured by specific charges on certain revenues of these countries. In the case of Roumania the service of the new bonds is a first charge upon export duties collected on wheat exports and other products; in the case of Greece, their obligations are a charge upon the revenues of the International Financial Commission appointed to administer

certain specified revenues of the Greek government for the purpose of meeting charges in connection with their external indebtedness. These governments have, since 1922, been paying their interest charges regularly and promptly, and in the case of Greece part of the principal in addition.

This amount of $4,000,162, now classified in our books as an active asset, although resulting from previous years' operations pertaining to our own public business, must be added to our surplus of $1,823,000 previously referred to, thereby making a total of $5,823,-162 as the surplus of the results of the past year from government services.

Canadian National Railways—1924-25

If here I may digress for a moment, I would like to point out that in all budget speeches, as well as in the Public Accounts, the results of the country's own business transactions have always been dealt with separately and apart from other transactions, such as loans to the railways and merchant marine which, previous to 1918, were not provided for in our annual budget of estimates but were authorized by special acts of parliament. This year we presented our estimates for such services separately, in order to have them conform to the method followed in the submission of budget speeches and in the making up of our public accounts.

Parliament at its last session authorized $56,527,000 for loans to the Canadian National Railway Company. A further supplementary estimate has lately been placed on the table of the House amounting to $7,500,000, which will bring the total provision for 1924-25 up to $64,027,000.

As in previous years, provision has been made that the loans might be by way of cash or by way of guarantee of railway securities for any or all of the requirements. Cash loans, provided that the full amount will be required, will total $18,027,000. The difference between the $18,027,000 and the total amount asked for has been covered by way of bond issues, carrying the guarantee of the Minister of Finance:—$20,000,000 three-year, four per cent. (4%) notes; and $26,000,000 thirty-year, four and a half per cent. (4½%) bonds, issued on the New York market under conditions distinctly favourable to the railways.

Apart from the annual vote, the railways were required this year to raise additional funds for special purposes. An issue of $9,-375,000 four and a half per cent serial equipment trust bonds was sold. The money is being applied to the purchase of new equipment, which, following the usual plan of financing such issues, was pledged as security for the bonds. The government's guarantee was not required.

During the year securities of the Canadian Northern Railway Company, guaranteed by the Minister of Finance under the provisions of the acts of 1917 and 1918, respecting the acquisition of the Canadian Northern Railway system, fell due, as follows: $6,000,000 at five and one-half per cent; $11,000,000 at five per cent. These maturities were refinanced by a consolidated issue of $17,000,000 four and one-half per cent ten-year bonds guaranteed by the Minister of Finance under the same statutory authority. A further flotation of $18,000,000 four and one-half per cent five-year guaranteed bonds was made under the provisions of the acts of 1924 respecting branch lines and Toronto Terminals construction, the proceeds of which are to be paid out as expenditures thereon are incurred.

Public Debt

I now come to the public debt. On March 31, 1924, our net public debt stood at $2,417,-783,274.88.

We will deal first with the business transactions pertaining to government services proper. Our ordinary revenues for the current fiscal year will be $344,000,000. Our estimated ordinary, capital, special and other expenditures will amount to $342,177,000, leaving a favourable balance in the year's operations of $1,823,000. To this must be added the sum of $4,000,162 previously referred to, making a total of $5,823,162 as a reduction in dealing with our net debt, on account of government services proper. This amount is available to be applied on account of our loans to the Canadian National Railways of $18,027,000; to Canadian Government Merchant Marine of $900,000; and to the Quebec Harbour Commission of $600,000, all of which, while being assets, but for the present considered as non-active, are to be added, thereby making an increase of debt during the year of about $13,-703,838.

During the fiscal year obligations amounting to $199,270,650 matured. In addition provision had to be made for the meeting of obligations to the value of £5,000,000 falling due in London on the first day of May, 1925. In consequence the total sum of $223,603,983.33 had to be provided for. As a result of the successful financing of the government the maturing obligations were met by new issues totalling $223,333,333.33, a saving of $270,-650 and by re-financing at better rates of interest a saving of $2,643,264.92 has been made in the annual interest charges.

The securities which matured for which refunding loans were issued consisted of $91,315,000 five and a quarter per cent treasury bills held by the Canadian banks and $107,955,650 five and a half per cent bonds of the victory loan of 1919 due November 1st, 1924.

To meet these obligations, on September 15th, 1924, one-year four per cent notes amounting to $90,000,000 were sold to a New York syndicate at par. Later $35,000,000 four per cent two-year notes dated October 1st, 1924, and $50,000,000 four and a half per cent twenty-year bonds dated October 15th, 1924, were sold to a Canadian syndicate, realizing 99 for the two-year notes and 95 for the bonds. The syndicate made a public offering of the $50,000,000 twenty-year bonds, with conversion privileges to holders of maturing victory loan bonds.

On November 15, 1924, an issue was made of $24,000,000 one-, two- and three-year four per cent notes, $8,000,000 maturing in each year. This issue was sold to a Canadian syndicate at 99¼.

Advantage was taken of the low interest rates prevailing on short-term borrowings to sell in London £5,000,000 six months four per cent Dominion of Canada treasury bills, dated February 1st, 1925, and maturing August 1st, 1925, for the purpose of retiring our £5,000,000 four and a half per cent bond loan falling due in London May 1st, 1925, upon which we exercised an option to redeem in advance of the maturity date.

To sum up: The total of maturing obligations, including the sterling bonds, amounted to $223,603,983.33, while the new securities issued represent a par value of $223,333,333.33, being a reduction of $270,650 in our outstanding public debt. There will also be an annual reduction in the interest rate of the refunding issues under the interest rates of the matured loans which will result in an annual saving of $2,643,264.92.

Trade

I desire, Mr. Speaker, to place on record a statement showing our trade with the British Empire and with foreign countries. This statement shows that in our trade with the British Empire during the fiscal year ended 31st March, 1924, the balance of exports over imports was nearly $243,000,000, and in our trade with foreign countries the balance of imports over exports was nearly $78,000,000, making a net balance of exports over imports with all countries of $165,186,430. During the period of ten months ended the 31st January, 1925, the balance of exports over imports in our trade with all countries has increased to $263,414,526. During the first period there was a favourable balance with all countries excepting the United States of nearly $325,000,000 and an unfavourable balance with the United States of nearly $160,000,000; during the second period there was a favourable balance with these countries of nearly $328,000,000 and an unfavourable balance with the United States of nearly $65,000,000. With the permission of the House I shall place this statement on Hansard.

CANADIAN TRADE
DURING THE FISCAL YEAR ENDED 31ST MARCH, 1924

British Empire—	Imports	Exports Domestic & Foreign	Balance of Exports over Imports
United Kingdom	$153,613,003	$361,197,041	$207,584,038
Other British Countries	41,772,629	77,132,395	35,359,766
Total, British Empire	$195,385,632	$438,329,436	$242,943,804

Foreign Countries—	Imports	Exports Domestic & Foreign	Balance of Imports over Exports
United States	$601,295,121	$441,650,861	$159,644,260

			Balance of Exports over Imports
Other foreign countries	96,686,114	178,573,000	81,886,886

			Balance of Imports over Exports
Total, foreign countries	$697,981,235	$620,223,861	$ 77,757,374

All countries—	Imports	Exports Domestic & Foreign	Balance of Exports over Imports
Total, all countries	$893,366,867	$1,058,553,297	$165,186,430

CANADIAN TRADE

DURING THE PERIOD OF TEN MONTHS ENDED 31ST JANUARY, 1925

British Empire—	Imports	Exports Domestic & Foreign	Balance of Exports over Imports
United Kingdom	$121,884,189	$349,600,037	$227,715,848
Other British Countries	38,148,314	69,333,218	31,184,904
Total, British Empire	$160,032,503	$418,933,255	$258,900,752

Foreign Countries—	Imports	Exports Domestic & Foreign	Balance of Imports over Exports
United States	$415,332,165	$350,508,647	$ 64,823,518

			Balance of Exports over Imports
Other foreign countries	75,529,886	144,867,178	69,337,292
Total, foreign countries	$490,862,051	$495,375,825	Balance of Exports over Imports $ 4,513,774

All countries—	Imports	Exports Domestic & Foreign	Balance of Exports over Imports
Total, all countries	$650,894,554	$914,309,080	$263,414,526

Tariff Board

Since last session the revenue-collecting services of the government have been consolidated under one administrative head. Pending the removal of restrictions, imposed during the discussion of the estimates in this House, in the manner of appointment of its personnel, the formation of the board which it was proposed to constitute to investigate and study the various modes of taxation has not been proceeded with. It is now proposed to have this inquiry made as a part of the larger study of taxation in general, in conjunction with the survey of our customs tariff schedules upon which officers in the public service are already engaged. In order that an efficient organization may be effected, an item has been included in the estimates to provide for the salaries and expenses of a board of advisers to the Minister of Finance, whose duties are to inquire into all matters pertaining to the tariff and other forms of taxation and to advise the Minister of Finance in regard thereto. The policy of the government is that the board shall be made up in part of officers of the service having special knowledge of tariff and other taxation and trade problems, who will give a portion of their time to the work of the board. The remaining members will be persons specially qualified to advise upon such questions, who will give continuous time and attention to these and kindred matters. The government is of the opinion that expert and exact knowledge to be obtained in the manner mentioned should precede any general tariff revision and that, for the present, opportunity of unobstructed observation of the effect of the extensive tariff changes made last year should be afforded.

[Mr. Robb]

Section 10 of The Electricity and Fluid Exportation Act gives the Governor in Council power to impose export duties on electricity. An order in council has been passed imposing an export duty for revenue purposes of three one-hundredths of a cent per kilowatt hour upon power, as defined in the said act. This duty will be payable on and after the first day of April, 1925. The rate will be equal to about $1.95 per horse power year.

A bill will be introduced providing for amendments to The Customs Tariff Act for the better enforcement of the sections for the prevention of smuggling.

Customs Tariff Changes

It is proposed to make very few tariff changes. The principal change will be in bituminous coal. The item "slack coal" is repealed, which puts this class of coal into the item of "coal, n.o.p." This change will remove difficulties in the administration of the act. There will be a slight reduction on other bituminous coal. The changes should encourage greater production of Canadian coal and also be of considerable advantage to Canadian transportation companies.

4 p.m.

It is proposed to make a reduction in the rate on well-drilling machinery for deep wells and on engines for the propulsion of boats owned by individual fishermen.

The estimated increase in revenue from the amendments will be about $1,000,000.

During the recess rolling mill rolls were by order in council placed on the free list. It has since been represented to the government that these rolls are manufactured in Canada. It is proposed to repeal this order, thereby restoring the rolls to their former rate of duty.

An amendment will be proposed to section 6 of The Customs Tariff relating to the special—or dumping—duty.

It is proposed to amend The Special War Revenue Act, 1915, by providing for a better definition of cheque, bill of exchange, etc. It has been found that the intention of the Act is being evaded by the substitution of other documents which cannot be rated as cheques within the meaning of the act. Well-drilling machinery and engines for the propulsion of boats owned by individual fishermen will continue to be exempt from the consumption or sales tax. A few other slight changes will be proposed.

Summary and Review

Mr. Speaker, I have submitted a statement of the financial position and trade activities of Canada for the current fiscal year and have made some comparisons with other years. But in making any comparison it should never be forgotten that the problems of Canada to-day are not comparable with those of countries whose people were not in the war so early nor so long as were the Canadian people. Canada was in the war from the day the first gun was fired. Into that struggle we, in common with many other nations of the world, poured our treasure, and what was infinitely more dear, the life-blood of our country. Gloriously succeeding in our duty, our country four years later was freed from the struggle; but we found ourselves being borne along new and uncharted channels, channels which were strewn with and made dangerous by the wrecks of great nations, national discord and sectional strifes.

Moreover, upon the Dominion treasury had fallen the cost of our share in the war, the interest on the war debt, the pensions to our disabled soldiers and to the widows and orphans of our men who had fallen at the front. The present government, representing the will of the Canadian people, has constantly borne in mind the debt we owe to the disabled and the needs of the widows and orphans, which necessitated pension increases from year to year.

On the other hand, by reductions in general expenditures and by refinancing maturing loans, the government has succeeded in reducing the interest charges and also our annual expenditures, thus enabling us last year to report a material reduction in our net debt and this year a substantial reduction in taxation and a surplus in the government's own administrative services.

The government has attempted to give a lead, which it is hoped will encourage general support of our policy of practising rigid economy in all public services, so that the costs of such services throughout Canada may be still further reduced.

The past year was not without its difficulties. Trade depressions in Europe reduced the purchasing power of the people of many countries and have adversely affected business on this continent. Short crops in some parts of Canada and the United States resulted in less labour being required for the harvesting; it meant fewer car-loads to be hauled; it limited charters for vessels and curtailed employment among those who are usually engaged in the moving of the crops from the farm to the seaboard. But there is a bright spot. Agricultural industries, especially in the prairie provinces, are now receiving the benefits of greatly increased prices for last year's crops, and these increased revenues are being applied, not to luxuries or comforts, but to wiping off the indebtedness incurred during the lean years. The farm, free from debt, brings more general economic value to the owner and to Canada as a whole than would be obtained from the free spending of profits for other than actual requirements.

Summing up our prospects, the immediate future looks brighter. No world state has a more self reliant and virile people than has Canada. But to achieve our destiny we must remove all sectional, all provincial, jealousies from our hearts; we must keep faith; forget all differences of tongue and creed; remembering only and always that we enjoy a great heritage; that we are Canadians.

I beg to give notice that upon the House resolving into committee, I shall move the following resolutions:

CUSTOMS TARIFF

1. Resolved, That the first paragraph of subsection one of section six of The Customs Tariff, 1907, and subsection seven of said section six be repealed and the following substituted therefor:

In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the value thereof for customs entry, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special duty (or dumping duty) equal to the difference between the said selling price of the articles for export and the said value thereof for customs entry; and such special duty (or dumping duty) shall be levied, collected and paid on such article, although it is not otherwise dutiable.

7. Such regulations may also provide for the exemption from special duty of any article when the difference between the value for customs entry and the selling price thereof to the importer as aforesaid amounts only to a small percentage of its value for customs entry.

2. Resolved, That schedule A to The Customs Tariff, 1907, as amended by chapter forty-seven of the statutes of 1919, chapter twenty-seven of the statutes of 1921 and chapter thirty-eight of the statutes of 1924, and by order in council , be further amended by striking thereout tariff items 101a, 587, 588, 591 and 591a, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of said items and to repeal paragraph (a) of regulation 1 of order in council, P.C. 1344, dated 5th day of August, 1924, designated as item 774 of the customs tariff, and to provide that the following items, enumerations and rates of duty be inserted in said schedule A:—

Tariff Items	——	British Preferential Tariff	Intermediate Tariff	General Tariff
101a	Shaddocks or grape fruit, n.o.p. per one hundred pounds	50 cts.	$1.00	$1.00
101aa	Shaddocks or grape fruit, when imported from the place of growth, by ship, direct to a Canadian port, per one hundred pounds	Free	50 cts.	$1.00
453e	Engines to be used exclusively in the propulsion of boats bona fide owned by individual fishermen for their own use in the fisheries, under regulations prescribed by the Minister of Customs and Excise.	10 p.c.	12½ p.c.	15 p.c.
469a	Well-drilling machinery and apparatus and parts thereof, and rope twenty-one hundred feet and over in length, capable of drilling wells of two thousand feet and over in depth, of four inches and over in diameter, and of raising and lowering casing over four inches in diameter for such wells, for drilling for water, natural gas and oil, and for prospecting for minerals, not to include motive power	5 p.c.	5 p.c.	5 p.c.
553a	Braided candle-wick with or without wire centre or braided taper-wick with or without wire centre when imported by manufacturers of wax candles or wax tapers for use only in their own factories in the manufacture of wax candles or wax tapers	Free	Free	Free
588	Coal, bituminous and coal, n.o.p. per ton	35 cts.	45 cts.	50 cts.
588a	Gas for heating, cooking or illuminating per one thousand cubic feet	6 cts.	6 cts.	6 cts.
591	Farm wagons, farm sleds, logging wagons, logging sleds, and complete parts thereof	5 p.c.	10 p.c.	10 p.c.
591a	Freight wagons, drays, sleighs, n.o.p., and complete parts thereof	17½ p.c.	25 p.c.	25 p.c.

3. Resolved, That schedule B to The Customs Tariff, 1907, be amended by providing that the following items, enumerations, and rates of drawback of customs duties be inserted in said schedule B:—

Tariff Items	Goods	When Subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1045	Materials	When used in the manufacture of tubes enumerated in tariff item 397	99 p.c.
1046	Materials	When used in the manufacture of articles entitled to entry under tariff item 663b when such articles are sold to manufacturers to be used as specified in said item	99 p.c.
1047	Materials	When used in the manufacture of articles enumerated in tariff item 469a	99 p.c.
1048	Materials, including all parts	When used in the manufacture of goods enumerated in tariff item 453e	50 p.c.

SCHEDULE B—*Concluded*

Tariff Items	Goods	When Subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1049	Bituminous Coal.....	When imported after the twenty-fourth day of March, 1925, by proprietors of by-product recovery coke ovens and converted into coke at their by-product recovery coke ovens. Provided that no drawback shall be paid under this item during any calendar month when the average ratio during that period is less than thirteen hundred pounds of coke from two thousand pounds of coal, also provided that drawback payable under this item is in lieu of drawback payable under any other item.....	99 p.c.

4. Resolved, That any enactment founded on the foregoing resolutions shall be deemed to have come into force on the twenty-fifth day of March, one thousand, nine hundred and twenty-five, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that day.

SPECIAL WAR REVENUE ACT

Resolved, That it is expedient to introduce a measure to amend The Special War Revenue Act, 1915, and to provide:—

1. That "cheque" shall be further defined to include any document or writing, not drawn upon or addressed to a bank, in exchange for which a bank makes payment of a sum of money, except a coupon and a document used solely for the purpose of settling or clearing any account between banks, and that such a cheque shall be liable to the stamp tax imposed on cheques by the said act.

2. That a bill of exchange transferred or delivered to a bank drawn upon a person outside of Canada shall, for the purpose of the value of the stamp to be affixed thereto, be deemed to be drawn for an amount not exceeding twenty-five hundred dollars.

3. That no person selling foreign exchange shall for the purpose issue a bill of exchange drawn upon a person outside of Canada unless there is affixed thereto a stamp of the value of two cents for every fifty dollars up to twenty-five hundred dollars.

4. That the stamp tax imposed by the said act on money orders or traveller's cheques shall be similarly imposed on money orders or traveller's cheques issued by a bank or other person.

5. That any bill of exchange or promissory note held by a bank as collateral security for an advance or other indebtedness and in respect of which advance or other indebtedness stamps of the requisite value under this section are affixed to the relevant bill, note or other proper document, shall not be subject to the provisions of this section. If such collateral is paid by a person liable thereon stamps of the requisite value according to subsection 3 (a) of this section shall before surrender thereof be affixed thereto and cancelled by the bank.

6. That a request in writing by a customer of a bank asking the bank to transfer from the account of the customer to another bank a sum certain for deposit only to the credit of the customer in such other bank, and an advice in writing by a bank to its customer that a sum certain is placed to the credit of the customer for transfer and deposit only to the customer's credit in another bank, shall not be subject to the stamp tax prescribed by section twelve of the said act.

7. That in the case of the first complaint to the minister or any officer of Customs and Excise against a person for failure to properly stamp a receipt given by such person the minister may permit the person to affix the stamp in the manner prescribed in section fourteen of the said act within one mnoth of the date of the permit on payment of a penalty of ten dollars.

8. That subsection four of section nineteen BBB of the said act as amended by section three of chapter sixty-eight of the statutes of 1924, being the list of excepted articles not liable to the consumption or sales tax, be amended by striking out of said section three of chapter sixty-eight the words "gasoline engines to be used in boats bona fide used by individual fishermen for their own personal use in the fisheries" where they occur in lines twenty, twenty-one and twenty-two, thirty-eight, thirty-nine and forty, and fifty-eight, fifty-nine and sixty of said section three; and that the said subsection four of section nineteen BBB be further amended by adding thereto the following:

"Vegetable plants; lasts for boots and shoes including rubber footwear and patterns for boots and shoes including rubber footwear; goods enumerated in Customs Tariff items 453e, 469a; articles and materials to be used exclusively in the manufacture of goods enumerated in Customs Tariff items 453e, 469a; materials, not to include plant equipment, consumed in process of manufacture or production which enter directly into the cost of goods enumerated in Customs Tariff items 453e, 469a."

9. That the bond required under the provisions of subsection seven of section nineteen BBB of the said act to be given by a licensed wholesaler or jobber shall be for an amount not more than fifteen thousand dollars and not less than two thousand dollars.

10. That any enactment founded on paragraph eight of this resolution shall be deemed to have come into force on the twenty-fifth day of March, 1925, and to have applied to all goods imported or taken out of warehouse for consumption on and after that day and to have applied to goods previously imported for which no entry for consumption was made before that day.

11. That any enactment founded on this resolution, excepting paragraph eight thereof, shall come into force on the first day of July, 1925.

Sir. HENRY DRAYTON (West York): Mr. Speaker I desire at the outset very heartily to associate myself with the opening sentence of the address of the Acting Minister of Finance (Mr. Robb). In no section of the House is the Minister of Finance (Mr. Fielding) more respected or more highly regarded than he is in this section. We are sorry—extremely sorry—that he is not with us to-day.

By arrangement with the Acting Minister of Finance. (Mr. Robb) Mr. Speaker, I have the right to adjourn the debate to-day until next Thursday. But the government are anxious that we should make whatever progress we can. I have not yet had an opportunity of reading the resolutions, but there are certain matters to which I can address myself now and I will endeavour to save time as much as possible by so doing.

In the first instance, let me make some reference to where we are left after the avalanche of my hon. friend's figures has passed over our heads. Just let us see what the great economies of the government amount to, on the basis of my hon. friend's own statement, in which he no doubt makes the best showing he can. This government, which he holds up as an example to other spending bodies, has actually spent this year, on the showing of the Acting Minister of Finance, $2,102,811 more than was spent last year. That is the extent of the "saving". It is made up by an increase in the government's capital accounts of $7,216,000 and by a decreased expenditure in other accounts of $5,113,000—yes, and in some of which accounts the activities have entirely fallen off; the former objects have been served, and the money could not well be spent unless it was thrown away. So much for that question of governmental economy.

Now let us see where we are emerging having regard to the debt—and I think that I have followed my hon. friend's figures correctly here; I ask him to be kind enough to check me in case I am wrong, because I certainly do not want to do any injustice to the government.

The estimated consolidated fund expenses are $319,700,000; the capital charges—I include marine, railways and canals—amount to $18,077,000; the government's special account amounts to $4,400,000; while the cash paid to railways amounts to $18,027,000. I think my hon. friend will agree with me that those figures are correct. Those figures make a total of $360,204,000, against my hon. friend's estimated revenue of $344,000,000, leaving a deficit of $16,204,000 on the year's operations. I desire to point out, in the first instance, that those figures are the figures of my hon. friend. I desire also to point out that only so late as yesterday I asked in the House for particulars as to the commitments of the government for this year. My hon. friend had not that information, and we have not got it to-day. He had not that information before him; he could not give that information; he himself, of course, never could give that information; he would have to go to the spending departments and find out exactly what the commitments were for marine, public works, and railways and canals. Well, we have not got those figures. My hon. friend may be right, and I hope he is right. I hope the situation is not worse than he paints it to be; but in expressing that hope, I hope also that this year he will be nearer the figures than he was last year. The estimates last year were not very satisfactory or successful. My hon. friend's estimated drop, for example, in receipts, was something very, very different to what the year has shown. The hon. gentleman was right in the basis of his estimates of last year, although he has been shown to be one hundred per cent out, if the country could have gone on functioning as the country was. Those figures were correct figures on the trade and commerce of the country as they were then. My hon. friend did not seek to deceive the House; he would not do it. No, he was then right. Why is it that this revenue has disappeared? It has not disappeared to the extent indicated by reason of government policy directly. It has disappeared, however, to the full extent as the result of government policies indirectly. It did not drop a multiple of two over the calculations of my hon. friend as a result of the fiscal proposals which the House was then considering; but it did drop that multiple of two as the result of the shrinking of Canadian activities everywhere locally. That is why, Mr. Speaker, we have to-day this deficit, this admitted increase of $16,000,000. It is simply owing to the benumbing influences of this government. Canadian industry in the several provinces of this country has shrunk, and the yardstick over which the taxes were to be collected has shrunk.

Mr. Speaker, this is an extraordinary government. One of the extraordinary things about this government is that they are always fond of making up their budgets, not based upon the activities of the current year, but helped and swollen by some fortuitous circumstances. I think they are very fortunate. They were very fortunate, for example, when my hon. friend the Minister of Finance was able to make the fine showing that he did as a result of exchange calculations, yes and payments, which were the result entirely of activities of other years. My hon. friend himself was very fortunate last year when he was able out of trust funds, the trust of which had disappeared, to add, and add largely, to the figures making his satisfactory showing in connection with the capital account. But, Mr. Speaker, I really think this year is the choicest morsel of them all. Just imagine what we here have. We have here got an increase of over $4,000,000 —nothing which evidences any new investment, nothing which evidences any new advance, nothing which evidences any new liability. The liability was there. Here we have loans, with the interest not met, interest in arrears, and is the interest paid? Oh no, not at all, and if the interest had been paid, would it go to capital? Oh no, not at all. It would be merely a matter of the current year's revenue. The interest was not paid, but we have a new obligation. It is extraordinary what a difference is made when we consider the particular angle from which one looks at things.

Mr. LAPOINTE: Hear, hear.

Sir HENRY DRAYTON: My hon. friend the Minister of Justice says "hear, hear". I would have thought that a lawyer like my hon. friend, lawyer as he is, and the legal adviser of this House, in connection with a matter like this would not want to change his opinion by reason of the angle from which he viewed it. No. What I am going to point out, Mr. Speaker, is this, that elsewhere, in other instances, it has been thought to be rather serious to capitalize interest that is never being paid, to consider a fictitious bookkeeping entry as a real entry. It is so easy to do these things. It is so easy for anybody to inflate their balances by charging up interest upon their uncollected or uncollectable debts, or their debts that are slow in collection. It is so very easy to do it, but some gentlemen who have done it today have been asked to do time at the public expense. What happened in the Home Bank case? One of the real charges against the directors of that institution was that they carried forward interest that had never been paid, that they capitalized it, and went on pyramiding it time and time again, as if the advances were actually being made. So here we have had not a single cent of extra advance—still the same two countries, and despite what my hon. friend said as to the distressful condition of Europe, I am inclined to think they are going to come through. I hope so, and I hope the whole of this is collected, but this is a new and novel principle in national finance. I hope it will not be imitated by any more banks, and I do submit, Mr. Speaker, that what is not good enough for banks certainly ought not to be good enough for the Dominion of Canada.

I am going to deal with another matter which can be dealt with without reference to these resolutions. My hon. friend talks about our debt. He goes further and rebukes us, and very soberly, for having dared to suggest that the obligations which we incurred last year in connection with our railways should be considered our obligations. I will ask hon. gentlemen just for a few minutes to consider what they themselves in the past have said, and ask them whether they were serious and whether they were honest in what they said. From every corner of this chamber we have had hon. members who, when speaking of this railway question, have pointed out, one after the other, that our railway capital accounts were unduly swollen, yes, that if we were going to give the management any chance of ever making good, we should remove from the management that incubus that was always hanging over their heads, that impossible task of making a showing against swollen and improper capital charges. Is there any doubt about it? Does a doubt exist in any part of the House? I have heard the Prime Minister (Mr. Mackenzie King) say that in his view there should be a re-valuation and cutting down. Is there any doubt about it? There is no doubt about it. Everybody in this country, as well as everybody in this chamber, knows that we have a vast sum represented in the capital account of our railway that does not represent value. I wonder if I can venture to carry the judgment of hon. members with me a step further. If that statement be true—and it is accepted as true—what possible good do we do—except to try and deceive ourselves and lift ourselves by our own bootstraps—by treating a further investment in a corporation which we admit to-day entirely over-invested, not as a liability but as something that is sure to be good when we know it is not? We have heard gentlemen here talk earnestly and well as to the evils

of watered stock and of watered capital. I wonder if any hon. member of the government will undertake the task of showing that there is not enough water in the capital of the national railway that is now being worked up by my hon. friend to employ the total activities of all the hydraulic engineers for a century. Why, it is there.

Mr. HOEY: They seem to have removed the tax from well-drilling machinery to encourage water.

Sir HENRY DRAYTON: That might help, but I doubt it, because my hon. friend will realize that that only makes more water, and we do not need it. Is this picture at all overdrawn? Do we not all really know that it is nonsense? Do we want to be parties to a fraud on the public? Is there anything else in it except that? I do not care what is done in the past in one particular year. The last year the former administration was in power, and when payments were being made, it has been shown that a certain sum—it does not matter how big it is, if it is wrong it is wrong—was paid out of one of these loans, the amount I forget. I have just two observations to make in that connection. I am not going to deny the statement one way or the other. I do not remember and do not know, but I know that when payments have to be made—and cash was none too free then—those payments are out of funds available and they go through. I do know that later on in the year accounts are marshalled, the payments are properly distributed; and in that particular year the marshalling of the accounts was not in the hands of the former administration but in the hands of this administration; and if those accounts were marshalled so as to show a payment out of moneys raised by loans for the railway company guaranteed by the government, which was not for a refunding purpose upon an obligation on which we were already liable, all I can say is that those accounts were wrongly classified. But never mind whether that is a fact or not, the question is not what was done one day, but what is right to-day. We are learning a little more all the time. We learn something this year. For example this year we learn that there is an increase in the capital debt of the railways of $118,000,000. And yet at the same time, with the piling up of capital of $118,000,000 in the one year—and these are not my figures, but the figures of the Minister of Railways (Mr. Graham) given in this House this session—this Chamber is asked to regard endorsation by the government of $81,000,000 this year, as a matter resulting in no obligation to the country. The idea is really too ludicrous to consider. My hon. friend says he has had accountants go over the matter for the purpose of showing that we are altogether wrong.

Mr. ROBB: For the purpose of showing that we have followed exactly the same procedure as my hon. friend followed when he was Minister of Finance.

Sir HENRY DRAYTON: I wonder if my hon. friend will go a little further with me. I have given him one case which I think existed during a long course of years, a course of years when the former government was met with this proposition; the railway was practically streaks of steel, disconnected lines, on which it was difficult to keep the trains, and the like, when we had to put up money by the hundreds of millions; and my recollection is that in all that time; and in the handling of all those millions, the only case the hon. gentleman has to refer to is one little tack which he has got to cling to namely what was done in connection with an advance or a loan—how much of it went that way I do not know—of $25,000,000 in the year 1921-22. If I am wrong, I ask my hon. friend to correct me. No, I am right. There it is, one little tack and that is all. If we are going to start in swapping improper practices, and this would be improper, surely my hon. friend has all the benefit that he ever ought to get out of it. If the amount was $25,000,000 in 1921-22, it was $50,000,000 last year in connection with a grant that was not for equipment. There was another grant last year of $22,500,000, but I am not referring to that. Does my hon. friend not honestly think that if he goes wrong one hundred per cent more than the wicked Tories went wrong, it is about time he quit? Would that not be a fair proposition? It strikes me that it would be fair, but there is something more than being fair to each other in this House. It is being fair to the Canadian taxpayer, to the public, to the country, and nothing done by any party or by any opponent can, for one instant, detract from our duty of being fair to the country at all times.

Once upon a time, the big annual additions to the railway debt were additions to the government debt. That is gone. Why? It is gone simply because, in order that the real state of affairs might not be known by the Canadian people, instead of paying railway obligations in cash, the government resorted to endorsations. The government in this respect outrivalled even the far-famed Mr. Micawber. He was very hopeful as to the

effect of giving a note—the awful liability was then paid. This government treated it even more lightly than that—the thing never existed—it is never to be considered at all—it is never to be brought into our accounts. Let us see where we are going and let me give an illustration of how the percentages are being changed. In 1922-23, the government met railway claims by cash to the extent of $80,000,000. I have not the figures before me for the previous year, but while the amount was not as large as that, my recollection is that it was somewhere in the neighbourhood of $50,000,000, and the amount was greater for the year before. I have not those figures and I speak entirely subject to my hon. friend's correction. The public accounts are all open to him in a way that they are not open to ordinary members, because it means a great deal of work to find these things out. My hon. friend has the figures, and I venture to say that he will find that the percentages were as I indicated, showing heavy cash payments by the government annually in connection with the railway system. We have the heavy cash payments by the Minister of Finance (Mr. Fielding) of $80,213,000, and we have this year my hon. friend's payment of $18,027,000. In like manner the increases of last year in the railway figures were heavily weighted, in so far as the public borrowings are concerned, by outside money being brought in instead of governmental money. Last year if I remember rightly—and I speak subject to my hon. friend's correction—we voted $24,000,000, but the public took on new obligations of the railway company of $90,000,000. What we are doing this year is just what was done last year, only a little worse. How much capital work was done last year? Hon. gentlemen who have sat upon the committee of Railways and Canals know that it is very easy to have items which might one day be in maintenance, another day in betterments and finally in capital account. It is very easy to say that we issued last year $50,000,000 for capital account, and find it in lines you have already got standing on your books for more than they are worth, and then find, as the whole expenditure for new operations and new work, an amount of $2,186,000 as we had last year. The Minister of Railways and Canals (Mr. Graham) brought down the other day a return which showed the whole amount of capital construction done on the new lines that we gave the railway company the right to construct as $1,650,000, whereas the whole increase last year in connection with new capital account was $118,000,000. Is it necessary for a reasonable man to go further than to point out that this company itself admits an increase in the current year of $118,000,000, when we affirm that that debt is our debt? Who owns the company? Surely, the country. Who is responsible for it? The country. Who has to finance it? The country. Who pays the money? Again, the country.

Mr. GOOD: What was the balance of the $118,000,000 spent for?

Sir HENRY DRAYTON: I am sorry I cannot tell by hon. friend. As yet I have not had a copy of the annual report and I do not think it has been distributed this year. If hon. members have copies, I have not received one. I quite agree with the hon. gentleman in what he implies in his question, that it is high time that we had the report. The only thing I can say is this, that the return was brought down showing the whole amount that was spent on new construction to be, as I have already stated, $1,650,000. If there is any justification for this course of conduct my hon. friend has not given it. Let me put the matter in very plain terms, and I have no desire to be in the slightest degree offensive: my hon. friend has not given any justification any more than any other wrongdoer gives when he tries to justify his action by saying—"You too." That is the only justification we have had, we have had no other; and that is no justification at all. My hon. friend has not shown us that there were sufficient assets in that company to protect the country; we have not had a single word of satisfactory explanation; all that the minister has done has been simply to say, "You too." And that I submit is absolutely no justification whatever.

Mr. CAMPBELL: Is the ex-Minister of Finance (Sir Henry Drayton) in favour of revaluing the assets of the Canadian National Railways and writing the capitalization down to actual value?

Sir HENRY DRAYTON: I am entirely in favour of doing anything which will make the situation clear and honest before the Canadian people. What I object to to-day is the practice of hiding liabilities, the practice of hiding commitments, the practice of hiding debts. I do not believe in it.

Mr. FORKE: It comes to this, that the hon. gentleman objects to charging these accounts against the railways instead of against the country.

Sir HENRY DRAYTON: Certainly. Let me go over it again for a moment.

Mr. FORKE: I think I understand it.

Sir HENRY DRAYTON: Very well. I might have to labour the point were it not for the fact that we were told only a few days ago of an addition of $118,000,000 in connection with this responsibility. Will hon. gentlemen stop and think for a moment what that means? That sum would build most new systems; indeed, all it cost to build the whole of the great National Transcontinental—and no money was skimped on that job—was some $164,000,000. And here we have a new capital cost in connection with the National Railways of $118,000,000, although we have spent altogether in the past year only $1,650,000, on new construction. I wonder whether there is a single hon. gentleman in this House except the Acting Minister of Finance (Mr. Robb)—no, I will not except him—who does not realize that this really means an increase in the debt of the country this year of approximately $100,000,000. Is there really anyone who would seriously challenge that statement? My hon. friend, it is true, shows only $81,000,000 of an endorsation; the railway company shows $118,000,000 of increase in capital; and he has shown, if I took down his figures correctly, a refunding of $17,000,000. If there is a refunding it should of course be taken off. But I would point out that we have a right to consider that the railway accounts as tabled by the Minister of Railways are true. That is the first thing. And if they are true and the increase is $118,000,000 then it is also true that this is a net increase covering, and being over and above, all refundings.

Mr. GOOD: May that not be represented by real railway assets at the present time, to some extent at least?

Sir HENRY DRAYTON: My hon. friend is quite right; I suppose it is covered by some assets. But there is certainly not enough of assets to cover it appreciably. And in any case, is it any more represented by a physical asset than would be the case either with a harbour or with a dry dock? Is there any more reason for showing honestly in our books the cost of our canals and the like? What difference is there, seeing that the railways are ours? We have in connection with them either assets or liabilities and if we are to be honest about it we should show the exact state of affairs. I submit therefore that my hon. friend's calculation as to debt is entirely wrong. There is just one modification which the situation may suggest, and it certainly is not apparent to us. The railways say that they advanced their capital $118,000,000, but I can hardly understand how that could take place unless they have some cash on hand; and to the extent that they have cash on hand I quite agree that that amount might be deducted.

Mr. HUGHES: Was there any of this large amount wasted through extravagance and bad management, or from any other cause whatever? And what is the remedy? What remedy can the Canadian people apply to meet the situation?

Sir HENRY DRAYTON: The first remedy to right a wrong is to let some light in; let the light in and let us know where we are. That is all I want to have done. And as for knowing anything about the matter, my hon. friend is in far closer touch with the situation than I am.

Mr. HUGHES: No. I was not on the committee that looked into these accounts last year; my hon. friend was.

Sir HENRY DRAYTON: But the hon. member will agree that last year we had not the accounts that are involved this year. If this budget had been held back until the railway annual account had come down I might be able to answer my hon. friend; I should at least have had an opportunity of going into the matter. Perhaps the hon. gentleman can suggest the reason for the budget being down in advance of that report.

Mr. STEVENS: Why the rush?

Mr. ROBB: May I be allowed to remind my hon. friend that in bringing down the budget to-day before the end of the year we are following precedent. In 1916 parliament met on January 12 and the budget was brought down on February 15; and in 1915 although parliament met on February 4 the budget was brought down on February 11. We are now within one week of the end of the year whereas my hon. friends brought their budget down six weeks in advance.

Sir HENRY DRAYTON: I have not quarrelled at all to-day about the budget coming down at this time. I have not the slightest objection. But the hon. gentleman from Kings, Prince Edward Island (Mr. Hughes) was asking me about the accounts of the railways, and I am simply pointing out this one thing, which is plain to everybody, that we cannot consider those accounts to-day because the accounts are not down, and the only information I have from the Minister of Railways and Canals (Mr. Graham) is that there

is an increase of $118,000,000 of debt. As I say, no one can tell what the real condition of the country's debt is. From the figures of my hon. friend it looks very much like an addition of eighty-one, plus that sixteen, minus the seventeen which he gave us as refunding, which would make it eighty. But if the railway company is right, all refundings are taken care of in their $118,000,000, and therefore it looks as if the total should be $118,000,000, plus the $16,000,000 my hon. friend admits. So much for that.

I now want to touch upon another point which my hon. friend stresses in his admirable collection of statistics, highly suitable for his budget, namely, the statistics showing the prosperous condition of trade. I congratulate him on the care he has taken in their compilation. He has selected just exactly the right kind of statistics to suit his text. At one time there was a controversy, which I am not going to renew now, as to business failures in Canada. I notice the accuracy of our figures has been mildly challenged because some of the businesses included in the list were too small. Well, I would have thought that this government would not want to take the position that they are only interested in the success of the big businesses, and that they would look after the little ones as well. I would point out that if ours were very small in Canada, they were even smaller in the United States, because the average liability of failing firms in Canada in 1924 was $58,467 as against $55,063 in the United States.

But, Mr. Speaker, I would direct the attention of my hon. friend and the House to the fact that the trade in which the country is immediately interested and which is more vital to it than anything else is its domestic trade, the trade which cannot be disturbed by customs laws or be put out of joint by ocean freight rates and the like; it is trade which is the country's own. My hon. friend has given us some very attractive statistics of big export business, and nobody will question those statistics, but it would really have been much more to the point if he had given us something showing our internal activities, something showing that the purchasing power in our home market was not a disappearing power. Now, there is one index which is considered authoritative and fundamental as showing these activities; I refer to the freight tonnage carried by our railways. The railways carry practically everything that we make or produce. In the first instance we have a great loss of wheat tonnage, amounting to 2,300,000 tons. That certainly was not the fault of this government any more than the great crop of the year before was their virtue; that is something which has nothing to do with their fiscal policy one way or the other. But the great mass of agricultural consumption in this country at any rate depends on local demand, the power of somebody in the local market to pay for the goods, and I am pointing out some startling declensions in railway tonnage as showing eloquently the decreased activities locally in Canada practically everywhere, decreases all the more marked in view of the increases in export trade, because while we have the decreases mirrored here those decreases would have been much greater had there not been increases in the export of the same articles carried over the same lines. Last year our railways carried 38,161 tons less of apples; 9,752 tons less of eggs—and there are many eggs to a ton; of hides and leather 17,922 tons less—and that means an awful lot, but it is a pretty good indication of the condition of the boot and shoe business. If you really want to see where the benumbing effect of tariff tinkering with its attendant uncertainty is at its worst you have only to look at the iron and steel industry.

Mr. FORKE: Where did the hides go?

Sir HENRY DRAYTON: They did not go. That is what I am complaining about. I am complaining that the demand fell down to such an extent in this country that 17,922 tons less of hides and leather were handled,—something, I take it, that a farmer ought to be interested in. Now then, the drop in iron ore tonnage was 443,403 tons; in pig iron and bloom 275,547 tons; in rails and fastenings 50,757 tons; in bar and sheet iron, structural iron and iron pipe 639,105 tons; in castings, machinery and boilers 144,858 tons. As hon. gentlemen well know, the activities of our foundries and other iron and steel plants depend to a large extent upon other manufacturing activities—and these other manufactories were not there to be looked after. The movement in coke, something which is almost entirely industrial, fell off 266,326 tons; the movement of raw cotton fell off 32,488 tons; cement 49,308 tons; brick and artificial stone 135,686 tons; lime and plaster 62,023 tons; agricultural implements and vehicles, other than automobiles, 58,458 tons—

Mr. GOOD: Between what calendar years is the comparison made?

Sir HENRY DRAYTON: Between the calendar years 1923 and 1924. These figures are given by the railways. The movement in household goods fell off 38,743 tons; in furni-

ture 4,008 tons; in canned meats 1,123 tons; other manufactures and miscellaneous 844,887 tons, and merchandise 327,538 tons. This list covers many diversified activities. But take forest products, which are divided into five headings: first, logs, posts, poles, cordwood; second, ties; third, pulpwood; fourth, lumber, timber, box shooks, staves, headings; fifth, other forest products. The only thing we are going ahead in is the depletion of our pulpwood reserves. While pulpwood shows a large increased tonnage, on the other hand there is a considerable decrease in logs, posts, poles and cordwood of 75,390 tons; in ties 16,287 tons; in lumber, timber, box shooks, staves and headings, 835,465 tons; and other forest products of 111,240 tons.

These reductions are serious in the extreme. For example, the reduction in tonnage in hides and leather was 9.3 per cent; coke, over 26 per cent; iron ores, 72 per cent; slate dimension or block stone, 57 per cent; lumber, timber, box shooks, staves, heading, 11.9 per cent; other forest products, 17.75 per cent; iron, pig and bloom, 43 per cent; rails and fastenings, 18 per cent; bar, sheet iron, and so forth, 38.6 per cent; castings, machinery and boilers, 23.6 per cent; agricultural implements and vehicles other than automobiles, 20.99 per cent; and household goods, 34.7 per cent.

My hon. friends say that the country is prosperous and that a lot of business is being done. Well, let us see what the figures with respect to railway employees show in this connection. In October, 1923, 177,876 men were employed in railway services in Canada, and in the same month in 1924 there were 156,338 employed, a decrease of 21,538 in respect to that one month. For November, 1923, the number employed was 164,724, and for November, 1924, 149,209, a decrease of 15,515, while in December, 1924, there was a decrease of 10,305 in the number employed as compared with the same month in 1923. We find that the decreases continue pretty steadily, because while in October 1923 there were 177,876 employed, in December, 1924, there were only 143,761. I am inclined to believe, Mr. Speaker, that the only person who really thinks that conditions are good, that production is good, that employment is good, must be my right hon. friend the Prime Minister.

Mr. Speaker, I move the adjournment of the debate.

Mr. MEIGHEN: May I suggest to the Acting Minister of Finance (Mr. Robb), before the motion carries, that he be prepared on Thursday before the resumption to give the House an estimate of the increased revenue which he anticipates from the increases in the tariff in the various schedules.

Mr. ROBB: Did I not make that statement?

Mr. MEIGHEN: I did not catch it, if it was in the address.

Mr. ROBB: About a million dollars.

Mr. MEIGHEN: That was one item, as I understood it, there are several others.

Mr. ROBB: I will check that up.

Motion (Sir Henry Drayton) agreed to and debate adjourned.

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

That the order for consideration of the motion for Mr. Speaker to leave the chair for the House to go again into committee of Ways and Means have precedence over all other business except the introduction of bills, questions, and notices of motions for the production of papers, until disposed of.

Mr. SPEAKER: Except to-morrow?

Mr. MACKENZIE KING: Yes.

Mr. MANION: Does that supersede private members' day on Monday next?

Mr. MACKENZIE KING: It postpones that private members' day until after this budget debate is over.

Mr. MEIGHEN: I understood the Prime Minister to assure the House a week ago, or about that time, that there was no intention of superseding private members' day on the following Monday.

Mr. MACKENZIE KING: My assurance at that time was that Monday as private members' day would be continued for three additional Mondays. That, of course, the government intends to adhere to. I think I made it clear that when the budget debate commenced it would have precedence.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion, with the addition of the words, "except on Wednesday, March 25th instant?"

Motion (Mr. Mackenzie King), as amended, agreed to.

CANTEEN FUNDS

The House resumed, from March 5, consideration in committee of a proposed resolution with regard to the distribution of the canteen funds—Mr. Beland—Mr. Gordon in the chair.

Mr. MANION: I must confess I have not my thoughts quite in order regarding this resolution, because until last night I had no idea the matter was coming on quite so soon. We rather had the impression, due to the budget and other matters, that this question of canteen funds would not come up for a week or ten days. I am not criticizing the minister in that respect; I am simply mentioning it for the purpose of emphasizing the fact that I have not had an opportunity of going into it quite as thoroughly as I intended doing before dealing with it.

We are dealing, I presume with the resolution as a whole. With regard to the question of the taking of $100,000 from the canteen fund for the purposes of an adjustment bureau, I do not think there is any doubt in the minds of most of us that some form of adjustment bureau is needed in Ottawa; at least I have no evidence to the contrary. We will therefore take it for granted that there should be some form of adjustment bureau acting as an intermediary between the returned men or their dependents and the different departments of government. I am not convinced that the present adjustment bureau is the proper one, neither am I convinced that it is not; I have quite an open mind on the matter. But I am convinced that whatever adjustment bureau we have in Ottawa should be entirely independent of any department of government. In other words, the Minister of Soldiers' Civil Re-establishment or any other minister of this government or any other government should not have the right to dictate the policy of that bureau. The only proper method, it seems to me, is to have trustees appointed, not by this government nor by any government, but by this parliament or in part by this parliament, those appointed in that way to choose the rest of the members of the board. The choice should be so made that the members of the board shall not be influenced in the matters they have to deal with, either by the government or by the opposition, or by any political group. It is the desire of all of us, I believe, that this adjustment bureau shall be entirely for the benefit of returned soldiers and their dependents, and that in no manner, shape or form should politics have anything to do with it. I shall take occasion later to discuss that point more thoroughly; at this stage I simply put it forward as one of the suggestions that ought to be given consideration.

5 p.m.

There is another suggestion I have to offer with regard to clause 2, which provides:

> The sum of $100,000 to be paid to a Central Board of three trustees appointed by the Governor in Council—

My suggestion differs in the method of appointment. I believe that if these trustees are appointed by the Governor in Council, you will have them more or less in the hands of whatever government is in power, or in the hands of the department concerned. The clause goes on:

> —without remuneration, to be used in such amounts and such manner as it may deem best for the maintenance and assistance of an adjustment service and bureau for the benefit of ex-service men and their dependents.

I differ entirely with the proposal to take this $100,000 from the canteen funds for this purpose. If these canteen funds are a trust fund—and they are—then, to my mind, this $100,000 should not be taken from such funds for any services on behalf of the returned soldiers or their dependents. I admit, and I think most hon. members will also admit, and the government apparently admits by this resolution, that there is some need for an adjustment bureau for the returned soldiers and their dependents, that without such an adjustment bureau to deal directly with the Department of Soldiers' Civil Re-establishment or the pension commission they could not get full justice; if they could, there would be no need of this bureau. I am not saying that with the idea of any special criticism of the Department of Soldiers' Civil Re-establishment or the pension commission. But the government admits, and we all admit, that there is some need of an adjustment bureau in order to give justice and fair treatment to the returned men and their dependents. Then if there is that need, I do not think the cost of such a bureau should come out of the canteen funds, because these canteen funds belong to the returned soldiers themselves. They are made up of the moneys collected in the canteens as profit, and they are a trust fund which should be retained entirely for the returned soldiers and their dependents. Therefore, I do not believe that this $100,000 should be taken from the canteen funds at all. It should be put in with the balance of the fund and dealt with as the balance of the fund may ultimately be dealt with.

I submit that what we should do in connection with this adjustment bureau is to pay for its upkeep just as we would pay for the upkeep of the Department of Soldiers' Civil Re-establishment or any other department, with this exception, that whatever money it costs to keep up the bureau should not be doled out by the ordinary methods.

and be subject to criticism and checking up by parliament or by the department; it should be paid over as a trust confided by us, as the Parliament of Canada and the representatives of the returned soldiers, to these trustees to handle in an absolutely independent manner. I am informed that even the present type of adjustment bureau could be carried on for something under $20,000. Without knowing much about it, I think perhaps it might be carried on for this amount; I believe there has been an estimate by Mr. Grant MacNeil himself that such a bureau could be carried on for something under $20,000. Now if we decide that this sum is enough to carry on this bureau on behalf of the returned soldiers, I would say that that amount, $20,000, should be voted annually here in the ordinary way in the estimates, and be handed over to the trustees who are to act as the representatives of the returned soldiers, and act without remuneration. Men such as Sir Arthur Currie would be an excellent type to handle this fund, men who are acting absolutely independently of any government or opposition.

Those are two suggestions I offer for changes in this resolution, at least with regard to the bureau, and I presume those changes would have to be made in the resolution if they are to appear in the bill.

Mr. SPEAKMAN: Would not that suggestion be open to the same exception which was taken by the hon. member for the appointment of trustees by the government, in that it might leave the trustees susceptible to influence by the government, who in the final analysis must be held responsible?

Mr. MANION: There is always a possibility that the trustees might be influenced by the government or by the opposition, but they would be less likely to be influenced by the government or by the opposition if they were independently appointed.

Mr. SPEAKMAN: That was not my point. It was this: Could not the same exception be taken to the voting of the annual amount by this parliament and to the payment by parliament as the hon. member takes to the appointment of trustees by the government, in that the payment of that money by means of a government estimate might tend to influence the trustees in the use of that money?

Mr. MANION: I do not think they would be influenced by parliament voting the money. It is parliament that votes the money, not the government. If the people of Canada are to pay for the adjustment bureau, the money must come from some

place, and the only place it can come from is this parliament. It is not a proposition of the government or of anybody, but a method of handing over the $20,000 to be used by the trustees who are independent of anybody, on behalf of the returned soldiers and their dependents. What I am suggesting and endeavouring to do is to have no influence in any shape or form used upon the trustees by myself or by any group, but they should be as far as possible independent of the government and opposition and of the Progressive party or any other group in this House.

Mr. SPEAKMAN: I am afraid the suggested method of payment might make these trustees susceptible to influence by the government.

Mr. MANION: If my hon. friend can suggest a better method, I have an absolutely open mind. I do not know how we can give $20,000 per annum for the next two or three years for a board of trustees to handle except in the manner I have suggested; but if my hon. hon. friend can suggest a better method, I am quite open to conviction. I have simply offered my own suggestions.

There may be other matters in the resolution with which I do not agree. I am not convinced that the method of handling these funds is altogether correct, and suggestions may be made later with which I may agree. But I am offering these two particular suggestions for the consideration of the committee, and I repeat that so far as I am concerned I have an absolutely open mind on the matter. I have this desire, however, and I think it is the absolute desire of the majority, if not of all of us,—to handle this fund and the central adjustment bureau entirely—one hundred per cent—for the assistance of the returned soldiers and their dependents.

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment): I must thank my hon. friend for the spirit he has displayed in the submission of his remarks in connection with the disposal of the canteen funds. I note that he makes some suggestions in connection therewith, one in particular bearing upon the mode of appointment of the board of trustees to administer that portion of the fund, namely $100,000, destined for the maintenance of an adjustment bureau in the city of Ottawa. If I understood my hon. friend aright, he suggested that the trustees might be appointed by parliament. I have sat in the House of Commons for over twenty years, and I do not know of a single occasion upon

which an appointment has been made directly by the House of Commons. On numberless occasions parliament has clothed the Governor in Council with the power of making appointments either of a commission or of a board or of trustees, but I have not—and I can say this with certainty—known of a single instance in which appointment to public office has been made by parliament itself.

Mr. MANION: I do not wish to interrupt the minister, but if he will permit me, I would say that we have never had such a case as this before. This is the first time we have had canteen funds and the care of the returned soldiers and their dependents. In ordinary cases I admit my hon. friend is absolutely correct, but this is an extraordinary case such as we have never had in the past, and such as I hope we shall never have again. It is a trust for the benefit of the returned soldiers and their dependents, and I am sure my hon. friend is as desirous as I am of having it handled in a proper manner. I think that because of that fact it might be handled differently from the ordinary appointments of the government.

Mr. BELAND: The only way by which this could be accomplished would be to come back at the next session of parliament with a bill providing for the appointment of trustees by parliament. I do not see any other way.

Mr. MANION: I was not prepared to discuss this matter to-day and I did not have my thoughts arranged; but I wish to make one other suggestion. I am sure my hon. friend would not object, and as far as I am concerned I do not think anyone would object, to Sir Arthur Currie, for instance, being chosen as one of the trustees. Suppose we could get him to act, and then appoint some other man in whom people would have as much confidence as they have in Sir Arthur Currie, and make provision in the bill that they could appoint a third trustee; in that way we could put the matter through in very short order, possibly not this afternoon but by adjourning consideration of this matter for a day or two we could appoint two trustees and let them appoint a third.

Mr BELAND: I think the suggestion of my hon. friend deserves consideration. Speaking of Sir Arthur Currie, I may frankly say to the House that it was my intention to ask him to act as head of the trustee board. I have no objection to informing the House that I had gone so far as to draft a letter to him, which draft I have in my possession now. Of course if you appoint two trustees, and ask them to appoint a third, it might happen that one trustee might insist upon the appointment of a certain party as third trustee, and the other trustee might insist upon appointing another party, and if they were divided in that way I do not know exactly how the appointment could be made. This proposal I have brought before the committee, to appoint a board of trustees to be known as the central board of trustees, is in pursuance of a special recommendation of the royal commission which dealt with the question of the disposal of the canteen funds after investigation from one end of the country to the other. That commission recommended that a central board of trustees be appointed, and that an amount of one hundred thousand dollars be paid over to them. The statute would provide that they the board should administer that money as they deemed best, in the interests of returned men, for the maintenance of an adjustment bureau. I may say that my own particular party interest, if I have any strong party interest at heart, would lead me to keep far away from the administration of that hundred thousand dollars. There is no question that the task is not an easy one, and that the trustees to be appointed will have many difficulties to contend with, many claims and many appeals which will render their task rather onerous. The recommendation of the royal commission I think is the right one. I would invite my hon. friend to read the bill passed last year based on a similar resolution, and he will find that provision is made for the distribution of the residue of the canteen funds, some $2,300,000. That distribution is to be made to the different provincial governments in the following manner. Every provincial government will be invited to appoint a board of trustees. The lieutenant governor in council in each province will have the choice of the board of trustees, in that province. In the province of Ontario the board of trustees will be composed of five men; in each of the other provinces, of three men. In the case of the central board, as well as in the case of the other boards, the majority of the members must be ex-service men. If we apply to the central board of trustees the suggestion which my hon. friend has submitted, why should we not extend it to all the lieutenant governors in council. For the provincial board, in some cases deals with a much larger amount of money; forty-one per cent of the total sum goes to the province of Ontario, or about a million dollars; so that the board of trustees appointed by the lieutenant governor in council in Ontario will have

functions as important, if not more important, than the functions of the central board.

Mr. MANION: If the matter can be put through as the minister suggests I think it should be done. Let us place the boards of trustees in the provinces on the same plane as the central board. I am as anxious as the minister to get it out of politics in the provinces as well as in the Dominion. I am trying to get it out of politics in the country, and will go as far as the minister suggests, in this regard.

Mr. BELAND: I am not adverse to the idea, but dealing for the time being with an adjustment bureau and a central board of trustees, appointed for the purpose of distributing the money which is provided under this resolution, I am bound to say that this board cannot be functioning before another session of parliament has been called and has sat. If the bill passes the House of Commons and the Senate it will not be assented to before the day of prorogation. If it provides that a board of trustees shall be appointed by a special bill submitted to parliament reciting the names of each of the trustees, then of necessity the appointment of the central board will be postponed another year.

Mr. CLARK: If the trustees are actually named, why will that postpone the work under the bill for another year?

Mr. BELAND: If I did that for the central board of trustees, which might be possible, I would be precluded from doing it in the case of the provinces.

Mr. CLARK: I understood the minister was now considering the adjustment bureau. Let us consider that. If we can get something better than we have got under that heading, then let us consider the other when we come to it; but the fact that we are able to improve the adjustment bureau feature of it should not make it necessary to make any change in the next portion of it, though we may have some suggestions to make as to that when we have it under consideration.

Mr. BELAND: I do not know how it could be done unless we bring down a bill to appoint a board of trustees and name the trustees. And how can I be warranted in doing that when the legislation is not enacted?

Mr. CLARK: The second paragraph of the resolution reads:

> The sum of $100,000 to be paid to a central board of three trustees appointed by the Governor in council, without remuneration, to be used in such amounts and such manner as it may deem best for the maintenance and assistance of an adjustment service and bureau for the benefit of ex-service men and their dependents.

What connection has that paragraph with any other paragraph? If a bill is brought down, and as regards this particular portion of the resolution, the central board of three trustees are named in the bill, how is that going to prevent the operation of the bill for another year?

Mr. BELAND: What is exactly the concrete suggestion of my hon. friend?

Mr. CLARK: I am merely following what the hon. member for Fort William and Rainy River has said.

Mr. BELAND: In connection with this clause of the resolution, my hon. friend says that the difficulty can be overcome. I am willing to overcome the difficulty. I show my good disposition; will my hon. friend suggest to-day how it can be done?

Mr. CLARK: I will, right now. Supposing the hon. member for Fort William and Rainy River says that he will be satisfied with Sir Arthur Currie, I have a suggestion to add to that. Let the council of the Dominion Veterans' Alliance, constituting seven of the major soldiers' organizations, name two members of the board. Then we have two appointed and let them appoint a third. If they fail to agree, I have no objection to the Governor in Council making the third appointment. I am convinced, however, that those two would arrive at a decision, and then neither this government, nor the opposition, nor anybody else, can be under the charge of this fund being manipulated for political purposes.

Mr. BELAND: The suggestion of my hon. friend that this fund of $100,000 may be used for political purposes is not well founded. The resolution itself is a sure guarantee that it cannot be so used. No government would undertake to appoint a board of trustees composed of three men who would not be acceptable to the returned men, for the very reason that the government would suffer therefrom, to say nothing of the public interest or that of the returned men. I call my hon. friend's attention to this further point. Let us suppose that we insert the name of Sir Arthur Currie in a clause of this resolution. It remains to be seen whether Sir Arthur Currie is agreeable to act.

Mr. CLARK: That can be found out by telephone.

Mr. BELAND: I do not think we generally legislate by telephone. When we are engaged

on a piece of legislation in this House, I do not think we should adjourn the committee and go to the telephone and ask a certain party whether he is willing to act or not.

Mr. CLARK: The minister could get an answer between six and eight o'clock.

Mr. BELAND: I will do this, which will show the hon. member what an open mind and an impartial spirit I am bringing into this resolution. Let the resolution pass and I will try to draft a clause in the bill which will meet the wishes expressed by my hon. friend. I am not saying that Sir Arthur Currie is willing to act as such trustee or as head of such board, I cannot, of course, undertake to pledge myself as regards Sir Arthur Currie. If he is willing to act, I am willing to ask him. If I say here as a minister in charge of a bill that if this becomes legislation I shall ask Sir Arthur Currie to be head of the board of trustees, I think that should be sufficient for my hon. friend. Would anybody doubt my word in this regard.

Mr. LADNER: Does the minister approve the suggestion that two members be named by the Dominion Veterans' Alliance?

Mr. BELAND: I have no objection at all to receive a suggestion from them.

Mr. LADNER: And as the hon. member for Burrard (Mr. Clark) has suggested, to leave the appointment of the third to those two gentlemen?

Mr. BELAND: And if they cannot agree, the appointment of the third to be left to the Governor in Council. I am quite willing.

Mr. MANION: We are not in any way desiring to obstruct this legislation, so that if the minister thinks we are, he is drawing a wrong conclusion.

Mr. BELAND: I am not.

Mr. MANION: The minister asks us to let the resolution go through. It is now half past five and we have many things to discuss in regard to this resolution. Therefore, I am sure the minister does not expect that the resolution will pass before six o'clock. Let us think of these things between six o'clock and eight. I would not doubt the minister's remark that he would be willing to draft a clause in the bill, but I would want to think over the whole scheme before absolutely concurring in his statement. As it is now half past five, there is no reason why we should decide absolutely upon that point now. Might I read some of the remarks of Sir Arthur Currie which are contained in one of his letters to the Prime Minister of May 7, 1923. This deals with both aspects of the case as suggested by myself, so that I do not claim any originality in the matter. This is a letter which is in the return brought down the other day. Sir Arthur Currie says, speaking of the adjustment bureau:

> I am firmly convinced that such an organization is desirable and necessary and Mr. MacNeil informs me that the Hon. Dr. Béland and yourself—

This is to the Prime Minister.

> —hold similar views. I believe myself that such a service is a proper charge upon government funds and its maintenance could be justified to the members of the House. On the other hand, I do not believe it would be wise for the government to organize directly this proposed service, because if it did the service would soon become as bureaucratic as any other government organization and its decisions would not be as acceptably received as if the members of the organization constituting the service were entirely removed from government control.

This is absolutely along the lines mentioned. He continues:

> I suggested to Mr. MacNeil to put before you the idea of creating a small board of some three or four members who would not be paid for their services but who would be responsible for engaging the members of the adjustment service board or the advocates board, or whatever else you might call it. I, myself, would be glad to serve on such a board.

You have it on record that Sir Arthur Currie would be willing to act.

> And I suggest that men like Major-General J. H. MacBrien, C.B., C.M.G., D.S.O., Major W. H. Herridge, D.S.O., and almost anyone else you care to have, would constitute a suitable committee. This committee could arrange with the G.W.V.A. headquarters, or with certain members of it, to do the necessary work.

He goes on to discuss the financial arrangements. I read this to show that Sir Arthur Currie, who no doubt has the confidence of all classes in this country irrespective of his politics, is entirely of the same opinion that some of us have expressed here. In fact I rather think that idea came from Sir Arthur Currie because I read it before I expressed these views. It appears to me to be a very wise precaution, and I give the minister credit for being as anxious to make this non-political as the rest of us are. There is no desire on the part of any of us to get kudos or advertising in connection with the soldiers or anybody else, but there is in the minds of all hon. members a desire to have this fund handled in such a manner that it will give the soldiers and their dependents every service and at the same time, not be manipulated by the government or the opposition or the Progressive party or any other group in this House. That is my whole intention in offering the suggestion. As regards the proposal of the minister, I would ask him to

allow us to discuss other phases of the matter and let the discussion of this particular phase stand over until after supper. I do not see the difficulties in the matter that the minister puts forward. For example, he says that if two trustees are appointed, they assuredly will not decide upon a third; that one will want one man and another another man. I do not believe that is a correct statement.

Mr. BELAND: I said that they might.

Mr. MANION: I understand. I do not think that is a correct statement, because, as a matter of fact, we have good evidence that again and again in much more difficult matters to handle than this fund, this procedure has been undertaken and carried out. For instance, in the Lemieux Act which orders that conciliation, in certain cases of strikes be attempted, I think it is the law according to that act that one of the conciliators be appointed by the men, the second by the employer, the third to be appointed by the two; or in case of these two failing to agree, the Minister of Labour appoints the third. I would be willing to agree to the appointment of two men, one by parliament and one by the Dominion Veterans' Alliance, and if these two could not agree on the appointment of the third man then I would not object to allowing the minister or the Governor in Council to name that one. I do not want the minister to think that there is any desire on our part to hold the matter up on that account, but I would suggest that we allow the question to stand until after eight o'clock and in the meantime discuss other sections.

Mr. LADNER: The resolution differs in section (2) from the Ralston report, although in all other respects the two are identical. The Ralston report provides that the sum of $100,000 is to be paid to a central board of three trustees, at least two of whom have had overseas service. The resolution omits this proviso; there is no reference to those words, "at least two of whom have had overseas service."

Mr. BELAND: The hon. member will remember that last year there was a clause in the bill relating to that very point. This is a resolution we have under consideration, but the bill I have before me based upon it contains a clause providing that the majority of the board shall consist of ex-service men.

Mr. LADNER: That is the first point. The other point I think is even more important. The Ralston report provides specifically that the amount is to be used "by the central board of trustees" from time to time, in such amounts and in such manner as it may deem best, for the maintenance and assistance of an adjustment service and bureau for the benefit of ex-service men and their dependents. The resolution as submitted reads:

> The sum of $100,000 to be paid to a central board of three trustees appointed by the Governor in Council, without remuneration, etc.

The point I make is this. It is all important in this piece of legislation that the board be as far as possible detached from any government—

Mr. BELAND: We agree.

Mr. LADNER: —so as to avoid the possibility of bureaucratic domination which it is thought sometimes exists in government departments, although the belief is not always warranted. The success of the adjustment bureau conducted by the Great War Veterans' Association has been attributable largely to the confidence placed by the soldier body at large in that organization, in the conviction that it was not influenced nor dominated by either governments or governmental departments. As there seems to be a difference between the resolution and the report, I would ask the minister whether in his opinion the principle is that the money is to be used by the central board of trustees from time to time as they see fit and not as the Governor in Council may see fit.

Mr. BELAND: I am not supposed to say in advance what the bill contains but I will read the section of the bill relating to this matter, which as the hon. member will see is word for word what he has suggested:

> The sum of $100,000 shall be allotted and paid to the central board of trustees to be expended by such board from time to time in such amounts and in such manner as it may deem best for the maintenance and assistance of an adjustment service and bureau at Ottawa for the benefit of ex-members of the forces and their dependents.

Mr. LADNER: I presume there are no other clauses in the bill which would abrogate the principle that the central board of trustees is to control.

Mr. BELAND: Absolutely none.

Mr. LADNER: I bring this to the attention of the minister because the resolution omits the words, which are so clearly stated in the Ralston report, that the sum is to be used by the board.

Mr. BELAND: My hon. friend knows that the resolution is only a general review of what the bill will contain.

Mr. LADNER: But the resolution on other points, take for example section (3), is identical with the report.

Mr. HARRIS: With all the money that we are spending on the Department of Soldiers' Civil Re-establishment and on our appeal boards here, there and everywhere, it seems to me unfortunate that we should find it necessary to take this $100,000 and put it in the hands of either a central or an intermediate board for distribution. To my mind this does not permit of the money accruing directly to the ex-service men. We all agree that this money must be distributed, but as to the establishment of a board for its distribution, that is another matter. Section (2) of the resolution provides that the money is to be paid to the central board—

> To be used in such amounts and such manner as it may deem best for the maintenance and assistance of an adjustment service and bureau for the benefit of ex-service men and their dependents.

I think that the Department of Soldiers' Civil Re-establishment together with its branches is the institution that should function in this matter, and some other method should have been devised for distributing the money than handing over to a board $100,000 belonging to the ex-service men. I want to put on record for the information of the government two or three telegrams representing the feeling of some of my constituents in this regard, and it will be seen that their ideas are not entirely in accord with those expressed by my hon. friend (Mr. Manion) and by the hon. member for Burrard (Mr. Clark). I represent in this House 110,000 people and my constituency, which covers an area of 30 square miles, embraces centres of population one within a mile of the other, where there are organizations of returned men which exist for the purpose of looking after the dependents and widows of soldiers, as well as taking care of cases of distress. Some of these organizations call themselves Great War Veterans while others are known as returned men's clubs, veterans' clubs, and so on. I did not know that this matter was coming up or I could have been prepared with the facts in this regard. Speaking offhand, however, I may say that there are some seven different clubhouses in my district, one of which was honoured by His Excellency the Governor General who performed the ceremony of turning the key in the lock when the clubhouse was opened, another clubhouse His Excellency honoured by allowing his name to be used in christening it, and it is now known as the Byng Memorial Hall. I have heard it said, and I have seen it stated in the press that in these clubhouses perhaps a little personal or political strife is stirred up, but I would point to what they have achieved in the last few years and what they will continue to achieve—the taking care of cases of distress which would otherwise be neglected. When I place on Hansard what they say I want hon. members to consider that the messages are from men in the different communities who are trying to do their part as they see it. The first is dated February 27, and is from the Riverdale Great War Veterans' Association, 453 Broadview Avenue, Toronto, an institution which possesses assets worth perhaps $20,000 in the form of a modern clubhouse, and looks after upwards of five or six thousand returned men and their dependents. The president says:

> Government should retain canteen funds and interest intact. Veterans' Alliance not now recognized by Ontario command G.W.V.A. Kindly convey this information to your Toronto colleagues.
>
> DAVIDSON,
> President.

Here is another message from the same branch saying:

> Please strenuously oppose grant of one hundred thousand dollars from veterans' canteen funds to Veterans' Alliance.

The next is dated March 16, and is from the Beaches branch of the G.W.V.A., Toronto, which is in a thickly populated district and looks after the interests of about four thousand returned men and their dependents:

> Beaches branch G.W.V.A. strongly opposed to Veterans' Alliance application for one hundred thousand dollars from canteen funds to be used in operating a service bureau in Ottawa.
>
> ALEXANDER MAGEE,
> Secretary.

Then the East Toronto branch of the G.W.V.A., which owns a property valued at between $5,000 and $6,000, and serves a community of upwards of one thousand returned men and their dependents, sends me this message:

> Strongly protest government action regarding grant of canteen fund to Dominion Veterans' Alliance. Stand by us.

Another message under date of February 27, is from Mr. Shields, I think the secretary of the Toronto and district command. He says:

> Our contention is that canteen money should not be used for any organization that does not represent the returned soldiers.

My last message, Mr. Chairman, is from the Scarborough Returned Men's Club, and is dated March 13, 1925:

> At a special meeting at the hall, Birchcliffe Heights, on March 13, a resolution was passed strongly protesting against the proposed grant of $100,000 by the Dominion government to the Veterans' Alliance from

the canteen fund. We as veterans at a joint meeting think that the money belongs to the returned men and not to the government, and should not be spent otherwise unless sanctioned by the ex-service men as a whole in the Dominion. We trust you will do all in your power to avoid this action being taken.

I concede, Mr. Chairman, that these wires may not be drafted to meet the wording of the resolution, as I note that the government do not propose to grant the fund to the Veterans' Alliance, but I merely put these messages on record so the minister will have them as a guide in this connection. Before taking my seat, let me again emphasize what is uppermost in my mind, that surely the government has some body which would have the confidence of all sections of the House and which would not appear to be in any way political, even if it was appointed by the hon. minister, so that it would not be necessary to spend some of this money to appoint an intermediate bureau.

Mr. BELAND: In reply to my hon. friend, what he suggests is exactly the proposal to which my hon. friend from Rainy River (Mr. Manion) and my hon. friend from Burrard (Mr. Clark) take exception. If I understood my hon. friend (Mr. Harris) aright, he suggested that this $100,000 should be disposed of through some government agency—some department or some branch of the public service.

Mr. MANION: He suggested that, but the telegrams did not. The telegrams are in accord with what we suggested.

Mr. BELAND: I am dealing with the remarks of my hon. friend from East York (Mr. Harris). I do not agree with him that the government should dispose of the money direct. As a matter of principle I agree with my hon. friend from Rainy River, that it should be handed over to a board which is absolutely beyond governmental influence in every province as in Ottawa. That is the idea, and if the bill can be shaped to make that more certain than it is now, I am quite willing to accept any suggestion to that end.

Mr. HARRIS: Is it not possible to supply this $100,000 from government funds instead of taking it from the canteen funds?

Mr. MacLAREN: I think the minister will recognize that the general principle governing the canteen funds is that those funds are the property of the men. That being so, is he following out the principle in allocating $100,000 of the funds for the establishment of a bureau? If such a bureau is essential in the interests of the men to look after their pension and other interests, then the expense of its establishment comes fairly under governmental expenditure. To meet the expenses of the bureau out of funds belonging to the men I do not think is justified. Under the circumstances I should be glad to have the opinion of the minister on the point I have raised, namely, whether a portion of certain funds belonging to the men should be taken to establish a bureau the expenses in connection with which I think should properly be met by the government. We have had brought to our notice a number of objections raised by returned men in one part of the country regarding the proposal to set aside this $100,000 from the canteen funds. Perhaps the minister will inform us whether he has received similar protests. My view is that we are departing from the principle of regarding this money as the property of the men if we take a portion of it for the purpose of establishing a bureau. If that bureau is necessary, then I think the cost of it should be a governmental charge.

Mr. BELAND: I regard the adjustment bureau as a very useful agency. It affords the men a good deal more satisfaction to deal with the department or with the pension board through an agency of their own. Up to the present, aside from certain assistance given by the former government and this government to some of the returned men's associations, these duties have been carried out by the associations at the expense of the men. The recommendation of the royal commission that $100,000 of the canteen fund be set aside for the purposes of an adjustment bureau is animated by the same spirit as that in which my hon. friend's remarks are made, because the men will to that extent be relieved from contributing toward the maintenance of the bureau. This recommendation was made by the royal commission after an investigation extending over a year, during which they went into the whole problem and obtained the views of returned men from one end of the country to the other. I believe it is a proper recommendation. Indeed, I submitted it last year and I think the House unanimously agreed that it was a proper course to follow.

Mr. ROSS (Kingston): Not unanimously.

Mr. BELAND: Well, I did not hear any strenuous objection last year. The hon. member says he did not agree, but I understood that the resolution and the bill based upon it were adopted unanimously by the House. At all events I think the recommendation is a good one. As to the board of trustees, if some suggestion can be offered by which this

board will be made entirely independent of government control, I shall be willing to accept it.

Mr. CLARK: Before six o'clock is called, may I remind the minister that considerable information was requested at the last sitting of the committee and that it might be useful to have that information here after dinner?

Mr. BELAND: Is it with regard to the disablement cheques? These have been produced.

Mr. CLARK: Laid on the table?

Mr. BELAND: I think so, yes.

Mr. CLARK: There were other questions.

Mr. BELAND: I think all the information has been tabled.

At six o'clock the Speaker resumed the chair and the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

WEST VIRGINIA PULP AND PAPER COMPANY

The House resumed from March 20 consideration in committee of Bill No. 13, respecting a patent of West Virginia Pulp and Paper Company—Mr. Jacobs—Mr. Gordon in the chair.

On section 1—Extension of time for payment of fees.

The CHAIRMAN: Sections 1 and 2 were stricken out in the Private Bills committee and the following substituted therefor:

If the patentee designated by the patent mentioned in the preamble to this act or his assignee or other legal representative makes, within three months from the date of the passing of this act, an application to the Commissioner of Patents for an order restoring and reviving that patent notwithstanding non-payment of fees or failure to manufacture within Canada the invention covered by the said patent, the provisions of section forty-seven of The Patent Act, except the two years' limitation of time for such application contained in that section, shall apply to that patent, and complying with those provisions the Commissioner of Patents may make either an order restoring and reviving the patent or an order dismissing the application.

Mr. MANION: It has just been drawn to my attention that the hon. member for Vancouver Centre (Mr. Stevens) asked on the last evening this bill was up that it should stand. I do not know whether he wishes to discuss it or not, but perhaps if the hon. gentleman in whose name the bill stands has no objection, this bill could stand until the hon. member for Vancouver Centre is present.

Mr. JACOBS: I have no objection, provided it is understood that the bill will be proceeded with to-night. This bill usually comes up when I am not here. After all, the bill stands in my name, and not in the name of the hon. member for Vancouver Centre.

Mr. MANION: I quite understand that.

Bill stands.

PATENT ACT—EDGEWORTH GREENE

The House resumed from March 20 consideration in committee of Bill No. 14, respecting a patent of Edgeworth Greene—Mr. Jacobs—Mr. Gordon in the chair.

On section 1—Extension of the time for payment of fees.

The CHAIRMAN: Sections 1 and 2 were stricken out in the Private Bills committee and the following substituted therefor:

If the patentee designated by the patents mentioned in the preamble to this act or his assignee or other legal representative makes, within three months from the date of the passing of this act, an application to the Commissioner of Patents for an order restoring and reviving any or all of the patents mentioned in the preamble to this act, notwithstanding non-payment of fees or failure to manufacture within Canada, or the importation into Canada of the invention or inventions covered by said patents, the provisions of section forty-seven of The Patent Act, except the two years' limitation of time for such application contained in that section, shall apply to such patent or patents, and complying with those provisions the Commissioner of Patents may make either an order restoring and reviving the said patent or patents, or an order dismissing the application.

Mr. MACLEAN (York): I would like to ask if the Minister of Justice has looked into these bills to see if public rights are safeguarded.

Mr. LAPOINTE: When these bills were before the committee the other day, I think my hon. friend from Vancouver Centre (Mr. Stevens) took some objection, and when I came into the House he asked me to consult with the officers of the crown as to the legality of the things which are asked by these bills. I confess I have not had time myself to look into the bills, but I have submitted them to the officers of my department, this one and the one fathered by my hon. friend from Brome (Mr. McMaster) and they have reported to me that no public interest was being adversely affected by them.

Mr. MACLEAN (York): That is the very information I wanted. I am willing to take the minister's statement in that respect.

Mr. HANSON: As I understand it, the enacting clauses of both these bills that have been under discussion have been entirely stricken out in the Private Bills committee and new enacting clauses inserted in lieu thereof. We have not these amendments before us, and with all due respect to the chairman he is not the best reader in the world, and I must confess that what he read conveyed very little if anything to me. It seems to me these bills ought first to be reprinted if we are to know anything about what is being done. I do not think I could give an intelligent explanation of a single sentence the chairman read; perhaps that is my fault.

Mr. McGIVERIN: There may be a good deal in what my hon. friend says about having the bills reprinted. The point in connection with both these bills is that originally the promoters asked the committee to decide that the patent should be reinstated. But what the committee did was this: In both these cases there had been a failure to pay the money within the time limit. The money is paid in three different instalments covering eighteen years, one in six years, the second in the next six years, and the third instalment in the last six years. The people who appeared before my committee stated that they had overlooked this, and as well the provision that they could apply to the Commissioner of Patents, and what the committee did was to amend the bills and give these people power to appear before the Commissioner of Patents and to state their case, and he sitting as a judge, would decide whether any other rights were being interfered with. The commissioner was there himself and there was no objection from the department or the commissioner to that course. There was another bill at the same sitting of the committee which asked for an extension of time over and beyond the eighteen years, which the committee, in its wisdom and on the advice of the commissioner, decided should not be granted. But there is no objection on the part of the department or on the part of the commissioner to this bill as it now stands. The committee merely pass it back to the commissioner to take evidence and decide whether the parties have made out their case.

Mr. HANSON: With the explanation of my hon. friend it might very well go through, since the Commissioner of Patents has the final say as to what shall be done. I was not objecting to the bill or holding it up. I just wanted to understand what the situation was.

Bill reported, read the third time and passed.

WEST VIRGINIA PULP AND PAPER COMPANY

The House resumed from March 20, consideration in committee of Bill No. 13, respecting a patent of West Virginia Pulp and Paper Company—Mr. Jacobs—Mr. Gordon in the chair.

On section 1—Extension of time for payment of fees.

Mr. RYCKMAN: What is the amendment?

The CHAIRMAN: This is a bill respecting a patent of the West Virginia Pulp and Paper Company, amended in the same way as the former bill. It was referred to the Patent Commissioner to decide whether or not they are entitled to a reinstatement of the patent.

Bill reported, read the third time and passed.

PATENT ACT—WALTER W. WILLIAMS

Mr. ANDREW McMASTER (Brome) moved the second reading of Bill No. 26, respecting a patent of Walter W. Williams.

Mr. STEVENS: I do not know whether I am entitled to speak again on this bill, because this is the second reading, and I spoke the other night. I asked the Minister of Justice if he would look into the matter.

Mr. LAPOINTE: I have had the officers of the Department of Justice look into the bill and they report that perhaps this bill would not be necessary because they think the patent is still in existence, and yet on the other hand they do not see that any public interest is adversely affected by the bill.

Mr. STEVENS: The point I raised when I objected the other day was this: apparently the Patent Commissioner has granted a patent and declares that it is all in order and he is satisfied under the general statute. The petitioners for this bill are asking parliament to pass a special act which rather overrides the statute and the decision of the Patent Commissioner, and says that, no matter what he may say, parliament is saying in a private bill that the patent is valid. Is it not a bad precedent to establish, and particularly in view of the last clause and the observations I made the other day?

Mr. LAPOINTE: My hon. friend understands that if the patent is still valid there will be no harm in passing a bill that really

says so. As far as the last clause is concerned, it would be a matter for the Private Bills committee to deal with. I do not see why, on the principle of the bill the second reading should be opposed.

Mr. STEVENS: I object to the principle of passing a special bill where it affects the general statute.

Motion agreed to and bill read the second time.

CANTEEN FUNDS

The House resumed in committee consideration of a proposed resolution with regard to the distribution of canteen funds.—Mr. Beland —Mr. Gordon in the chair.

Mr. MACLEAN (York): Has the minister taken any steps to obtain the opinion of the Great War Veterans on this proposition?

Mr. BELAND: I explained before six o'clock that the opinion of the ex-service men had been obtained by the royal commission during their peregrinations through the country, and the resolution and bill are the result of the recommendations of that committee. As a matter of fact they are an exact reproduction of the recommendation.

Mr. MACLEAN (York): I grant all that, but the hon. member for East York (Mr. Harris) read a telegram stating that the veterans in many of their headquarters did object to this legislation. Has the minister heard any objections to this legislation from the war veterans?

Mr. BELAND: I have received also a number of despatches asking me not to allot one hundred thousand dollars to one particular organization. In some cases the G.W.V.A. were mentioned as not being agreeable to it. In some other matters the Dominion Veterans' Alliance was mentioned, but a delegation met some members of the government a few days ago and they submitted to members of the government that they were in favour of the resolution as introduced in this House this year and also of that of last year. The delegation was quite representative.

Mr. MANION: Of what organizations?

Mr. BELAND: The Great War Veterans' Association, the Tubercular Veterans' Association.

Mr. MANION: The Grand Army of United Veterans and the Amputation Association?

Mr. BELAND: I do not know that the Grand Army of United Veterans were represented, but I received a letter from their secretary stating that they endorsed the resolution as introduced.

Mr. CLARK: Were representatives of the Army and Navy Veterans there?

Mr. BELAND: They were not, but I had a long interview with their president, Mr. Brown, if I mistake not, when he explained to me that the desire of veterans' organizations in general should be secured before any appointment of the central board of trustees was made, and I agreed to that. It is my intention to consult the different organizations, and if they agree upon one association such as the Dominion Veterans' Alliance, to consult the Dominion Veterans' Alliance as to who would be an acceptable candidate for a member of the central board of trustees. This afternoon before six o'clock the hon. member for East York (Mr. Harris) read a despatch from Mr. Shields. I have before me the name of Mr. Shields as being one of the representatives on this delegation which endorsed the legislation. Whether it is the same Mr. Shields or not, I cannot say. Generally speaking, I would say that the legislation is acceptable to the returned men.

Mr. MANION: Apart from individual associations, has the minister received many telegrams from large organizations protesting against this $100,000 distribution that he speaks of, or are the protests just from local centres? Has he received any wide-spread protests?

Mr. BELAND: No wide-spread protests.

Mr. MANION: Could the minister give us a rough idea of the different organizations from which he has received protests, so that we may know? I have received a few, not many.

Mr. BELAND: So far as I know, there was no protest against this legislation being introduced for the distribution. The protest was against the apportionment of a sum of money to one particular association.

Mr. MANION: Exactly, but how wide-spread was the protest?

Mr. BELAND: I think it was mainly confined to Toronto and Ontario, not very much outside of that. If my hon. friend insists, I may give him the names of the members of the delegation.

Mr. MANION: No. I saw the names and I saw some of the members of the delegation which waited upon the minister. They

laid the memorandum before me and other hon. members. They were agreeable, but they comprise only the members of the Great War Veterans' Association and the Tubercular Veterans' Association. No others signed the memorandum, and I was curious to know if there was any wide-spread opposition outside of that expressed in telegrams from local organizations. If the minister has a list of them, I would be glad if he would tell us what he has in the way of protests.

Mr. BELAND: There is no such protest as that to which the hon. member refers. The Grand Army of United Veterans, I think, has also wired me, but I presume that they were unaware of the exact content of the resolution or the manner in which this apportionment of $100,000 was going to be made, because within the last week I received a letter —I have not the letter with me, but I can produce it—from the Grand Army of United Veterans endorsing this legislation. As regards the Army and Navy Veterans, I had a conversation with their president, Mr. Brown.

Mr. MANION: The Amputation Association?

Mr. BELAND: I have not heard either way from them. I do not think they would have any objection to it.

Mr. CHURCH: Coming as I do from a soldier city, I have quite a number of returned soldiers in my constituency including those at the Christie street hospital and a great deal of objection is expressed to the distribution of this fund as proposed in the resolution now before the committee. I sympathize with the minister. He has a most difficult task to perform in administering the distribution of the canteen fund. There are many ways in which this can be divided, and it may be almost impossible to please everybody. I understand that one has to be reasonable in the matter; in fact, there is only one other fund that one must be more careful about, and that is the campaign fund, if there be such a thing. I have received many protests from soldier organizations in Toronto, and I will read one from the Toronto and York County District Command of the Great War Veterans' Association. I have known Mr. Bray, the president, for many years, and I have found him a very reasonable and sensible soldier who would not want to give anyone any trouble. The record he has is that he has co-operated with the civic authorities to the best of his ability. He objects to this proposition and he has reasonable grounds for doing so. The soldiers of Toronto do not want to give the government any trouble and they want to help the minister and the department. They know the minister has been zealous in his work and that he is not responsible for mistakes that have been made in the past. The Toronto and York County District Command embraces all the district of Toronto and York and they are very much opposed to this division. I have a number of telegrams, but I will read only this one:

> Legislation in connection with canteen funds coming before the House to-day (Thursday) provide for the setting aside of one hundred thousand dollars from the canteen funds for the purpose of setting up veteran service bureau in Ottawa under the Dominion Veterans' Alliance. Toronto and York County District Command, Great War Veterans' Association, absolutely opposed to setting aside any moneys from the canteen fund which belongs to all ex-soldiers to the Veterans' Alliance. Veterans' Alliance is only paper organization and does not represent organized ex-soldiers. Toronto and district and the Ontario provincial command withdrew from Veterans' Alliance eight months ago. Suggest you make this known in the House when legislation is brought forward particularly the fact that we are opposed to setting aside of any moneys from the canteen fund to the Veterans' Alliance.

I know President Bray and the officers of this organization, and I am aware how they worked with the civic authorities during last winter when there was a great deal of distress among the returned men in Toronto. These men gave a great deal of service not only to the soldiers, but to the citizens at large that were in distress, and also to ex-soldiers from the Old Country who were in difficulties. As I say this telegram is from them.

Mr. BELAND: Who sent this last despatch which the hon. member has read?

Mr. CHURCH: It is signed by Harry Bray, president, and Alexander Shields, secretary.

Mr. BELAND: I see it is dated February 25. Later than this date, both gentlemen appeared before me and endorsed this legislation.

Mr. CHURCH: If the minister will come up to Toronto he will still find a lot of opposition—I was at a meeting of soldiers and they were all opposed to this legislation. The city of Toronto found it necessary to maintain a bureau of its own owing to the fact that the soldiers had found it impossible to obtain any relief from the department at Ottawa. They went to the city hall and applied for assistance and the city, at the expense of the tax-payers at large, was obliged to maintain a bureau of its own. There is such a vast amount of red tape in connection with the pension board that when the returned men, of the city of

Toronto at any rate—and I am able to speak particularly of them—endeavoured to secure some relief they encountered all sorts of obstacles in the shape of one technicality after another. There is also in Toronto the Ontario Soldiers' Aid Commission. It costs a lot of money, and I know for a fact that there are agencies of this commission in Hamilton, London and other places.

Now, I do not say that the minister is altogether to blame; as I observed in my opening remarks, I am quite aware that he has a difficult fund to handle, and even though he might devise ten or fifteen different ways of administering it, it is possible that there would still be dissatisfaction. The fact remains nevertheless that a considerable number of men in the city of Toronto are out of work and in a critical condition and something must be done to assist them. It was said the other night by Mr. Shields of the G.W.V.A., that 60 per cent of the men out of work in Toronto were returned men, and a large percentage of them do not come under the pension law as it is to-day. I recognize, of course, as everybody does, that this government, in common with its predecessors, has done a great deal for the returned men. There is no doubt about that. And I know also that there is nothing partisan at all about this question, for all parties are anxious to see the right thing done by the veterans. I do not believe that anyone has the interests of the veterans more at heart than the minister himself (Mr. Beland). There is another organization located in the riding of East Toronto, and I know that the hon. member who represents that district (Mr. Ryckman) has taken a great deal of interest in the situation there. Indeed, I do not know of anyone who has been more diligent in the endeavour to further the interests of the men than that hon. member has been. And this organization and others as well are all opposed to the assigning of this $100,000 to a central board for distribution. I have here a telegram from Riverdale branch of the Great War Veterans' Association, to the following effect:

T. L. CHURCH, M.P.,
Parliament Building,
Ottawa, Ontario.

Please strenuously oppose grant of $100,000 from veterans' canteen funds to Veterans' Alliance. Thanks.

And the hon. member for East York (Mr. Harris) read a number of telegrams this afternoon from various units on the same question.

I criticize the assigning of this $100,000 to the board on this ground, that the government is under no necessity so far as I can see of entrusting the fund to such a body. That fund in my opinion should be administered without cost to the soldiers. Surely in view of the fact that we have a department to look after the re-establishment of soldiers some means could have been devised of administering this fund without cost to the men. I do not go so far as to say that there has been any diversion of the fund, but I do strongly maintain that the government could have discovered some way of administering it without cost to the general body of returned men. I believe that if the minister had asked the House to vote $20,000 in his estimates for this purpose that vote would have carried; for if there is one fund more than another that should be administered free of cost to the returned men it is this one. I know of course that the minister is trying to effect economies, but it seems to me that in this particular department great care should be taken to see that whatever saving is made shall not be at the expense of the returned men.

I criticize the proposal on another ground: in handing over the $100,000 to this board the government is simply duplicating the work that is being carried on. I know of my own experience that such duplication does exist. For example, I know of a soldier who made application to five or six different persons for relief; he went first to the local district, and was referred to some other authority, and from that body he went to another, and so on. So that there is no question to my mind at least as to the existence of an expensive duplication; and when this board is charged with administering the fund this evil will only be aggravated.

As to handing over $50,000 to the American Red Cross, I do not know that we are going to do very much good. There are certainly a number of our returned men out of work in the United States, but my suggestion to the government would be to provide some general scheme of repatriation which would enable these men to come back to Canada. There are hundreds of them out of work in Detroit and other American cities and they are not likely to get work inasmuch as, before the American authorities will allow them to take any job, they must swear allegiance to the government of the United States. And returned Canadian soldiers after fighting for their king and flag will do no such thing. I would point out to the minister that after the Civil War in the United States the men of the Grand Army of the Republic did not have to leave that country to find employment, nor did they have to apply to any British organization such as the Red Cross, which did not then exist, for relief. They

did not have to go the government of a foreign country to look for help. I have a number of letters from returned Canadian soldiers telling of distress in the United States and many of them are unable to get work owing to the fact that they will not take the oath to a foreign flag. In my opinion this $50,000 should be placed under the control of the minister himself; I believe in responsible ministers discharging such duties as properly appertain to their office. It seems to me that it is unwise to hand over $100,000 to this province, $75,000 to another province, and so on, on the basis of the number of returned men resident in these places respectively. I think it would be far better for the minister himself to control the administration of the money under section (4) of the resolution; as the resolution stands the government simply divests itself of all control and leaves the matter subject to conflicting regulations in the various provinces. But where does the returned man come in on this thing? There should have been a vote on the proposition by provinces according to the military districts. What is the general officer in command of the district for? He knows the number of pensioners that are in his district and he ought to be able to give some idea to the minister as to how these moneys might be distributed under this section. We have a Department of National Defence, we have a Department of Soldiers' Civil Re-establishment, and we have local district commands with headquarters; and as I say, the general officer commanding the district knows just who his men are. On the whole, therefore, it would have been better to leave the matter to the minister. I am not here to criticize the minister, because my wish is to co-operate with him in every way possible. But one cannot help referring to these things. Again, what about the Amputation Association? I do not see any reference in this resolution to that large association. And what about the blind soldiers? And then there is the question of unemployment, which is a very serious matter among the returned men. I think that a great many of the soldiers, in the city from which I come at any rate, would rather see the recommendations of the Ralston report carried out, one of which provides for scholarships to promising children of ex-service men. I know of one case in which the father was killed, and the mother having died, the orphans were left with an aunt. This lady is trying her best to send two of them to high school and then to university, but her application for a pension for these children of sixteen and seventeen was denied. No doubt if the soldier-father had returned he would have given his children the best possible education within his power, and I think this is an excellent recommendation by the Ralston commission. Indeed, if the minister had administered the fund along the lines of the Ralston report I think he would have followed a very sensible course, because the commission took the views of soldiers all over the country and the recommendations contained in their report are doubtless founded on a consideration of those views. Coming from a city where there are large numbers of soldiers in distress, I sympathize with the minister in his endeavours to do all he can for the returned men, but I say to him now that the distribution of this fund as proposed is going to cause a lot of dissatisfaction among those interested. From my knowledge of the distress among many returned men in Toronto and elsewhere I believe one of the best uses to which this fund could be put would be to relieve that distress by way of finding the men employment or granting them financial assistance.

Mr. BELAND: Mr. Chairman, I always enjoy what my hon. friend from North Toronto (Mr. Church) has to say. His remarks are invariably interesting and worthy of consideration. He refers to what he terms the "protest" of the returned men against the legislation which has been introduced dealing with the canteen fund. All the despatches which have been sent to me and, I believe, to all other members of this House, deal with the apportionment of $100,000 to a particular organization. I have the despatch before me which my hon. friend has read, and in which I find the following:

> Legislation in connection with canteen funds coming before House to-day (Thursday) provide for the setting aside of $100,000 from canteen funds for the purpose of setting up veterans' service bureau in Ottawa under the Dominion Veterans' Alliance. Toronto and York county district command Great War Veterans' Association absolutely opposed to setting aside any moneys from the canteen fund, which belongs to all ex-soldiers, to the Veterans' Alliance. Veterans' Alliance is only paper organization and does not represent organized ex-soldiers.

And so on. All the despatches are couched in similar language. I have no objection to admitting that to-day the Dominion Veterans' Alliance—formerly it was the Great War Veterans' Association head office—is considered the principal agency through which claims are presented either to the Department of Soldiers' Civil Re-establishment, the pension board or other departments of the government. I am not at all concerned with the

internal dissensions in the soldiers' organizations, I do not want to share in them, and I am absolutely outside them. Whether one, two, three or four men are not satisfied with one secretary or one organization is something which should not concern either me or any other member of the House. What we should be concerned about is that we carry out as far as feasible the particular recommenddation of the royal commission in this connection. My hon. friend from North Toronto asked me, "Why don't you carry out the recommendation of the royal commission?" I have always believed that this resolution and the bill which is to follow it are based on the recommendation of the royal commission, which reads as follows:

Representations have been made that before there is any distribution of this fund—

The Ralston commission refer to the canteen fund.

—care should be taken to see that machinery is maintained for the accurate presentation and prosecution of claims which may arise from time to time on behalf of ex-service men and their dependents, concerning the various forms of assistance which the state provides in respect of pensions, re-establishment, and so forth.

Then they explain why this adjustment bureau is necessary, and that it is not to be regarded as a reflection upon either the Board of Pension Commissioners or the department. They conclude this particular part of their recommendation by saying:

The commission therefore recommends:—

1. That requisite legislative provision be made so that under direction of the Governor in Council any necessary accounting be had to ascertain and certify the amount, including interest, properly belonging to the funds and held by the receiver general—

And so on. Then they continue:

(a) The sum of $100,000 to be paid to a central board of three trustees, at least two of whom have had overseas service, to be appointed by the Governor in Council, without remuneration, such sum to be used by such central board of trustees from time to time in such amounts and in such manner as it may deem best for the maintenance and assistance of an adjustment service and bureau for the benefit of ex-service men and their dependents.

The balance of the recommendation deals with the further distribution of the fund in accordance with the resolution. Now, I think I can assure my hon. friend from North Toronto that this resolution is carrying out the recommendation of the royal commission. He has had his little tilt at the American Red Cross. Here again the royal commission, after having satisfied themselves that there were in the United States a large number of Canadian soldiers who had served in the C.E.F., thought it was only fair, just and equitable that a certain portion of the canteen fund should be placed at their disposal, and they recommended that $50,000 should be allotted to the American Red Cross for the purpose of relieving distressed cases amongst our returned men in the United States.

Mr. ROSS (Kingston): Is there a reciprocal arrangement on the part of the United States?

Mr. BELAND: No.

Mr. ROSS (Kingston): Why not?

Mr. BELAND: I do not know that in the United States they have any canteen fund to distribute. Perhaps my hon. friend knows.

Mr. ROSS (Kingston): If they have not a canteen fund they should have one.

Mr. BELAND: If they have such a fund I think they should allot to the Canadian Red Cross a certain amount for the benefit of American returned men living in Canada. Now, my hon. friend from North Toronto suggested to me that the opinion of the returned men throughout Canada should be secured as to the proper distribution of the canteen fund. We all agree on that. The former government, led by my right hon. friend who now leads the opposition (Mr. Meighen), passed an order in council on November 3, 1921, creating a committee which was known as the canteen fund disposal committee. The order in council recites that the opinion of all returned men in Canada should be obtained as to the proper disposal of the canteen fund. This committee issued a circular or ballot containing a number of questions, and through the post offices, the soldiers' hospitals and other agencies, over 500,000 of these were distributed among the returned men. The number of ballots received expressing an opinion as to the disposal of the fund was only 22,000 out of a possible total of 450,000 soldiers in Canada, therefore it was decided that owing to the relatively small number of opinions expressed the government would not be justified in taking any action. This was shortly after the present government came into office; I think it was in February, 1922. It was represented to me by the men who composed this committee, appointed by order in council under the former government, that in view of the fact that no one opinion had more than 5,000 supporters it would be inadvisable to proceed on that basis. The whole question was subsequently placed before the royal commission, the members of which would find it a relatively easy matter to secure the opinions of the men all over the country. They did that; they have made their report, and they

have recommended the distribution of the fund as proposed last year and again this year. The hon. member (Mr. Church), who is a personal friend of mine, says he is willing to leave the matter with me; that he would rather have the distribution of the funds placed in the hands of the minister. I thank him for his good intentions, but even if the whole House were willing to leave it to me I should refuse to accept the task, because I understand it is a most difficult one. The method that has been adopted is one that will give the greatest satisfaction to the greatest number, though I admit there will still be dissatisfaction.

So far as the central board of trustees is concerned, I repeat that since his name has been brought into the discussion this afternoon I am disposed to ask Sir Arthur Currie to be head of this board of trustees. I am willing also to take the suggestion of the soldiers' organizations, omitting none, as to a second member of the board. With regard to the third member I do not know to whom I should have recourse, but I think that could be left to the minister or to the government. On that point I may say that I have not heard a single word of complaint with regard to the personnel of the royal commission which I appointed. They were three returned men who commanded the respect and confidence of every soldier in Canada, and in this instance my only desire would be to act in the best interests of the returned men. I am also disposed to ask the board to obtain the opinion of the returned men as to who should be in charge of this office for which provision is being made. It is not for me to say it will be the Great War Veterans' Association, the Army and Navy Veterans, The Grand Army of United Veterans, The Dominion Veterans' Alliance, or the Tubercular Veterans Association. That is not for me to say, and I do not intend to say it. All I want to do is to request this board to refund to the disablement fund the $15,000 which has been advanced from that fund for the maintenance of the bureau. This bureau has been carried on by The Great War Veterans' Association—for some time as the Great War Veterans' Association, some time as the Dominion Veterans Alliance. I am not conversant with all the details of the functionings of these two associations. It is claimed that the Dominion Veterans' Alliance represents all the associations; some say it does not. I do know that Mr. MacNeil has from the day I came back from the Old Country been in charge of the soldiers' interests before every parliamentary committee, has had to do with the preparation of legislation and has generally represented them in all matters affecting their welfare. I think everybody will agree that he has discharged those duties to the satisfaction of all concerned. But if he is not the man it will be for the central board of trustees, not for me or the members of the government to decide.

9 p.m.

I say in all sincerity that a board of trustees consisting of three members will be appointed if the bill to be based on this resolution becomes law. Deducting then, the $15,000 which they will be requested to refund to the disablement fund, they may administer the balance of that money, $85,000, as they deem best. We have spent a good many hours upon this resolution and I hardly think the objections urged have been such as to warrant so lengthy a discussion. I am pleased, nevertheless that the discussion has taken place. I suggest that the committee now adopt the resolution in order that we may advance the legislation one step. When the bill is under consideration I shall have a few amendments to propose—I shall not say to correct some defects, but rather to make some changes based upon suggestions offered by hon. gentlemen opposite.

Mr. MacLAREN: Section 1 of the resolution refers to the payment of outstanding accounts. I understand that this money is in the hands of the Receiver General and I can hardly understand that there could be any outstanding expenses in connection with it. Will the minister explain the nature of these outstanding accounts?

Mr. BELAND: Last year when the resolution was before the House I remember giving an explanation on this point. I have not the reference before me at the moment, but in short it means that some accounts are outstanding against the fund for certain regimental units which have been disbanded. This sum is set aside at the request of the Minister of National Defence in order to provide for any outstanding accounts that might be presented against the fund. My hon. friend will find that the bill provides that if after four years all claims that have been presented have been paid, if there is a balance left, that balance shall fall into the general fund which is to be allotted to the different provinces. We have nothing to do with that.

Mr. STEVENS: But should not that have been ascertained during the last year? What my hon. friend speaks of now is the condition

that obtained a year ago in expectation of the bill passing. The bill did not pass. A year now has elapsed, and surely any outstanding accounts could have been ascertained in the period of a year.

Mr. BELAND: I would not say definitely, but I am informed that small accounts have been paid even during the past twelve months. It is a measure of prudence only, and it is not done at my request or suggestion.

Mr. ROSS (Kingston): I should like to say a few words on this proposal before it passes the committee. There seems to have been a change in the situation lately, because there certainly was a great deal of opposition amongst the returned men in regard to this section of the government's proposal, but within the last week that opposition seems to have faded away. Certain men have come here to Ottawa, and without any consultation with the members to whom telegrams were sent, consent has been given to this proposal, so we are informed by the minister. Now it would seem only natural that the service men who sent these telegrams should have conferred with the members to whom they were sent, if such approbation of the government's proposal has been obtained as the minister now suggests.

To what is the opposition due in regard to this matter? When the termination of the war was in sight, or immediately after, it was determined that the welfare and the interests of the returned men should not be left to a government department. One would naturally expect that the Militia department might have carried on that work, but it was proposed that a separate department should be created which would be composed of laymen, and would be, as it were, friendly towards the returned men. That organization was created, and became the immense organization we now know as the D.S.C.R., of which the minister is the head, and he should have at least something to say in regard to its administration. We all know how friendly and how genial he is. You have only to approach him to get a promise that everything will be set right, but then he suddenly bucks up against one of these iron-clad officials of his, his back weakens, and the returned soldiers are forgotten. Consequently the very department that was supposed to have sympathy for the returned men has become, one might almost say, their deadly enemy. Every member of this House knows how little sympathy he gets when he approaches that department in regard to a returned man. They will do nothing but carry out the strict letter of the law; sympathy they know little about. The result is that the returned man, instead of placing his whole case in their hands, has turned away from them, feeling that his only safety is outside of that department which should be his friend and sympathizer, and he leaves his case with an organization of this kind.

In the past Mr. MacNeil the secretary of the Great War Veterans' Association has fought this department through thick and thin till he was almost discouraged, but I would like the committee to remember that Mr. MacNeil did not do all the work. Outside of his work, there was the tubercular, amputation and the blind organizations, all with their own administration looking after the needs of their own men. I do not know whether they will be altogether satisfied to see the work taken out of their hands. The committee will readily understand that it requires some years of work to become acquainted with the technical problems coming up in the tubercular, amputation and blind cases, and I do not know that one general board can do that work. That work must be carried on. Whether or not there has been a secret understanding arrived at as to the redistribution of this fund, I do not know. But the fact remains that there was opposition, and I want to say that the proposal here is one that the government itself should take up.

I want to point out my opposition to this proposal. I may be alone in my views; I have not consulted with anyone else. My position is this. The returned man is the ward of the government and of this country, and we cannot get away from that responsibility. There is no use putting that responsibility on some other organization. The returned man in general is the ward of this country and of the government, I care not what government is in power, and he should get all the sympathy he deserves. I do not know whether the intention of the department now is to shift the responsibility on to some other body. We now have the Department of Soldiers Civil Re-establishment, the pension board, and the Federal appeal board, and now this other organization is to be started. If it is necessary for the returned men to have such an organization as this to advance their interests and present their case to the government, I think the government should pay for it. It looks to me as if the government has taken $100,000, to wash its hands of the interests of the returned man and say: We are done. Because in the future they will say that these cases have to come before this special board that is

to be appointed. I do not think this House should lose sight of the fact that the government and parliament and the country at large has to take care of the returned man. The returned men, the sick and disabled are the wards of the government, and the government should not get away from that responsibility by having this board appointed. If it is necessary for the returned men to go outside the Department of Soldiers Civil-Re-establishment, the government should pay for it, or provide some easier way, grease the way a little bit for the returned men to get the ear of the D.S.C.R. To-day if you go to the minister about a pension or something else affecting the soldiers, he will tell you he cannot do anything, that the pension board is absolutely independent. If you go to the pension board, they will tell you that their reports come from the D.S.C.R. medical men, and that they cannot help themselves; they have to take the D.S.C.R. reports. The thing is so tied up and connected and intermingled that the ordinary man cannot distinguish between them, and I do not know that they themselves know which of the medical men are pension men and which are D.S.C.R. men.

Now what are the matters to be taken up by this board? The report says:

> There is a variety of instances in connection with such questions as government employment.

Well, this government is not going to have anything to do with unemployment, so that part of the report is washed away. The government is not going to be responsible in any way for unemployment.

Mr. BELAND: I think that refers to the civil service.

Mr. ROSS (Kingston): I do not see why, because there is the provision made that the returned men must always get the preference in applying for a civil service position. Is not that a fact?

Mr. BELAND: It is a fact, but still I think that refers to the civil service.

Mr. ROSS (Kingston): But still the government does not do it.

Mr. CHURCH: First preference at a pick and shovel job.

Mr. BELAND: There may be a disabled man who will look for some man to present his case before the Civil Service Commission. I think what my hon. friend has read refers to the Civil Service Commission.

Mr. ROSS (Kingston): But the hon. minister is not sure.

Mr. BELAND: I think so.

Mr. ROSS (Kingston): The minister is not sure as to whether they get their preference or not.

Mr. BELAND: It refers to that.

Mr. ROSS (Kingston): The government is responsible and should look after them. As I say, the returned man is a ward of the government and should be looked after. We have the report in connection with that. This report says:

> There are a variety of instances in connection with such questions as government employment, land settlement, training, housing, and rehabilitation activities generally, the consideration affecting which depend on the presentation of the individual case rather than on the terms of a general regulation. There are also parliamentary matters not only affecting pensions but amendments to existing statutes.

And so on. It is most difficult for anyone to look after the interests of the blind and tubercular. I do not know whether the minister has had any information that these people will be looked after, or if there is any understanding between the three or four associations in regard to it.

Mr. BELAND: I know that most of the representatives of the organizations with whom I have come in contact favour this legislation. The moment they know that no particular organization is going to be favoured in the matter of employment in preference to another organization, they are in favour of the legislation. My idea of an employment bureau would be a place where the central board of trustees would consult all the associations; and more than one man is required for a bureau of that kind. I am satisfied that it takes at least five or six or seven men or employees to attend to such a bureau. My idea of the constitution of such a bureau would be that all the associations should have a representative on it, so that everybody would be represented.

Mr. ROSS (Kingston): So far, so good. That seems to be the opposition the minister heard of from the men who approached him, but at the same time at the beginning, those who put up the opposition, were given to understand that there was no place from where the funds for a bureau could be obtained. They believed the bureau was absolutely necessary, because they believed the Department of Soldiers' Civil Re-establishment had fallen down on the job, and there was a want of sympathy. The minister had all the sympathy, but that is as far as his department went. There was any amount of

sympathy with the minister, but he could not get any further. He was not responsible, and the returned men believed that a bureau was necessary, and there was no other money to be obtained for this bureau; therefore rather than see the bureau done away with and the possibility of it being destroyed they said, "Very good, we are willing to take that hundred thousand dollars"; but if there was sympathy in this House for the sentiment that the government should leave every cent of that money to the men who served overseas and who really put the money into the canteen fund, then being in sympathy with them, the government would say, "Very good, we will see that this bureau shall carry on; there is no sympathy with your case in the Department of Soldiers' Civil Re-establishment, and therefore we will see that there will be a bureau to carry on, and we will provide the very small amount necessary". When this hundred thousand dollars is disposed of —and it is not going to last very long, as fifteen thousand dollars has gone already— then what? Where will the returned men be then?

Mr. CHURCH: They will go to the labour bureau.

Mr. ROSS (Kingston): I want the House to keep in mind the position of this matter. It looks to me as if the government were saying, "We will start you off, what the end will be we do not care". After the hundred thousand dollars has been expended there will still be the returned men's case to be considered, unless there is a department more sympathetic than the department is at the present time. There will be the necessity for a bureau, and I think the proper thing now would be for the government to recognize that responsibility, sympathy having failed with the department, and say, "We will carry on the bureau, and meet the small amount of expenditure that would be required". When you can get three big men in this country to take upon themselves the responsibility of the work without any remuneration, then I think the government should be willing to pay for the office administration. That is my objection to this hundred thousand dollar scheme. In the first place, the government has no right to take it for a thing of this kind. The government should support this proposition, as sympathy has failed in the Department of Soldiers' Civil Re-establishment; and by voting the hundred thousand dollars you are making no provision for the carrying on of the bureau. That bureau will go on as long as there are disabled men in the country and that will be for many many years to come.

Mr. MANION: There are still a number of things, I imagine, about the resolution to be debated before we report it because the minister will remember the first day it came up we settled on the disablement fund, and this afternoon and evening we have discussed almost entirely the appointment of the trustees, but there was another matter I brought to the minister's attention upon which he has not made any remark. I will give him credit for his remarks about the trustees. He has certainly, I think, shown a willingness, which I sincerely hope he will live up to, to respond to the proposition made in good part by this side of the House to try to get the trustees appointed in such a manner that they will be above parties and that sort of thing, and will not make of themselves a political board. I was pleased to have him agree that Sir Arthur Currie might be chairman, because I think that is the wish of all those who have taken an interest in this fund. I think the suggestion of the hon. member for Burrard (Mr. Clark) in regard to the appointment of a second trustee is also a good one; that is to have the Dominion Veterans' Alliance appoint a second trustee, that alliance being made up of all the different associations in this country.

Mr. CARROLL: The Dominion Alliance which has been referred to I understand is doing the work which this board will be doing when it is formed. It may be the desire that this work may be done by the same board. Why ask this Dominion Alliance to appoint a man to the board which will deal with these cases and look after the interests of returned men?

Mr. MANION: The Dominion Veterans' Alliance is made up, according to my understanding—and I think it is correct—not only of the Great War Veterans' Association, but of all the other war veterans' associations in the country. It is a sort of combination of the Great War Veterans' associations, the Grand Army of United Veterans and all the other associations. I think it would be well to have all the veterans of the country included in this alliance. Not only are the Great War Veterans of this country interested in the canteen fund but all the veterans in Canada are interested in it. I made it my business the other day to look into the figures of the numbers of men belonging to this association. So far as I could get the figures —and frankly I got them from some of the officers of the Great War Veterans' Associa-

tion, they showed that something like 215,000 or 220,000 belonged to all the different associations in the country, so that this left around 200,000 returned soldiers who do not belong to any association. The latter are just as much interested in the canteen fund as those who do belong to an association, as I am sure my hon. friend will agree. The figures as given to me the other day, a copy of which I now have in my hand, are as follows:

Army and Navy Veterans..	60,000
Grand Army of United Veterans..	600
Tubercular Veterans' Association..	5,000
Amputation Veterans..	3,000
Canadian Legion..	600
Great War Veterans' Association..	150,000
Imperial Veterans..	4,000

According to these figures, 100,000 have gone to the United States, but even they are interested in this canteen fund. The point I wish to make is that all the different soldiers, so far as we can reach them, should have something to say with regard to the appointment of these trustees. While we cannot call in the 100,000 soldiers who have gone to the United States to take part in the voting, we can call in the organized veterans' associations of this country, and the proposal of the hon. member for Burrard (Mr. Clark) is that after Sir Arthur Currie, if he accepts, is appointed, the second trustee be appointed by the Dominion Veterans' Association, which includes the different associations of veterans in Canada.

Mr. HARRIS: I have received this telegram:

> Government should retain canteen funds and interest intact. Veterans' Alliance not now recognized by Ontario Great War Veterans' Association. And in fact is to-day only a paper organization with official seeking own aggrandizement and personal gain. Kindly convey this information to your Toronto colleagues.

Perhaps the hon. member can tell us who they are.

Mr. MANION: I am glad my hon. friend is trying to help me out so well. I am not married to the idea of the Dominion Veterans' Alliance. The only reason I suggested it was because until recently it was supposed to be an organization made up of a combination of the officers of all the different associations. The telegram which my hon. friend has may be correct, and the Dominion Veterans' Alliance may not be as represented. If it is not and if there be objection to it, the Great War Veterans' Association and these other associations which I have named should be asked to have their officers get together and pick a man. I do not know the Dominion Veterans' Alliance, and I am speaking subject to correction. After the second trustee has been appointed, the suggestion of the hon. member for Burrard is that the third trustee is to be appointed by the other two. I was pleased to have the minister appear to agree at least with the idea if it can be worked out, and I do not see any reason why it should not be worked out.

The hon. member for Cape Breton South and Richmond (Mr. Carroll) asked why some other organizations should be requested to assist in appointing a trustee who would be merely picking the present organized adjustment bureau. which is handled altogether by the Great War Veterans' Association. I do not intend to suggest that any strings be tied to the trustees in regard to an appointment. The appointment of the adjustment bureau should be left entirely in the hands of these trustees. I do not mean to suggest that we should insert in the bill a clause stating that the trustees must appoint So-and-so and So-and-so to handle the adjustment bureau. The matter would be entirely in their hands, and after the three trustees met and discussed the matter, if they decided to use the adjustment bureau that is in existence to-day, I have no quarrel with them, and I do not mean to quarrel with the adjustment bureau at all. I hope that whatever appointments are made, those men will look at this as a position of honour and of trust, and that they will carry out their duties without pay, in the same manner that, I think, most of us who are discussing this question are attempting to carry out ours, in other words, entirely for the benefit of the returned soldiers. I admit the minister has been exceedingly reasonable in regard to the appointment of the trustees. Of course the proposition was a fair one, and I do not see how he could have dealt with it otherwise.

Another question that comes up, one which I brought up earlier in the day, is that of the use of $100,000 from the canteen fund in order to carry on this bureau for the next three or four years. Before I touch on that, I must confess I rather think the question was brought up already to-night, but I was going over some correspondence dealing with this matter and I missed the explanation. Will the minister explain again what the $20,000 mentioned in clause 1 is to be used for.

Mr. BELAND: This amount is set aside at the request of the Department of National Defence to meet some accounts that might be presented to the Receiver General, accounts which would be chargeable against the fund.

Mr. MANION: From whom?

Mr. BELAND: From some of the units that have been disbanded. I understand. I

am not in a position to give details about that. This is what I said last year in reply to a question in this connection:

The National Defence department have submitted occasionally to the Finance department small accounts for payment. What these accounts are exactly I am not in a position to say, but I might suggest that they are accounts from trustees of former regimental units. Be that as it may, these accounts must be passed upon by the National Defence department and approved by the Finance department. As late as 1923 the Finance department had paid out on these accounts an amount of $2,000. The commission recommend—

That is the royal commission.

—that $20,000 be retained for this purpose, and I presume that if any balance should be left of this amount of $20,000 after a certain delay has elapsed, it would ultimately be distributed amongst the provinces on the pro rata scale mentioned.

There is in the bill, not in the resolution, this provision:

The sum of $20,000 shall be held by the Receiver General for Canada for the payment of any outstanding accounts or claims in respect of the units, the funds of which are included in the canteen funds, provided that should any portion of this amount remain unexpended on the 1st day of July 1929, such unexpended portion shall be disposed of as set forth in paragraph (e) of this section.

That is, distributed amongst the different provinces.

Mr. BLACK (Yukon): I was glad when this matter was up a few days ago to hear the pronouncement from the minister that he had altered his views in regard to the course that should be pursued in dealing with the share of the canteen fund to which the returned soldiers now in Yukon are entitled. The minister has said repeatedly during this discussion, not only to-day but on the former occasion, that the bill of last year passed the House and committee without protest. Its terms, as he put it, were quite satisfactory to all concerned. Perhaps I personally did not protest strongly enough, but I felt quite sure that I had protested. I should not like it to go out to my friends among the returned soldiers, not only in Yukon but elsewhere, that I had sat in my place and let the bill, as it was last session, go by without protest. Nor would I let the resolution as we have it now pass without voicing my objection to it. I find on consulting Hansard that my remarks were plain enough. On July 14 I asked:

Mr. Black (Yukon): Why is it the allotment for British Columbia and the Yukon are joined? This allotment is not made in accordance with military districts and the percentage returnable to the Yukon can be ascertained as accurately as the percentage returnable for any province. It will be a smaller amount, but why should it be tied up with British Columbia?

Mr. Béland: It is the recommendation of the royal commission.

Mr. Black (Yukon): I protest against that. I suggest that the exact percentage due to the Yukon be ascertained and allotted to the Yukon to be distributed by a local committee there, altogether separate and apart from British Columbia. Is it possible to do that? I submit there is no more reason why Yukon should be attached to British Columbia for this purpose than that Yukon should be attached to Prince Edward Island.

That is a plain protest but it was entirely disregarded, and I find I protested again on July 16, a few days later. Since then I have taken occasion to correspond with Colonel J. L. Ralston, the chairman of the Ralston commission, and I have discovered in that correspondence the basis on which these percentages of allotment are calculated. I endeavoured to get the information from the minister last session but I must confess I could not do it. Having got it from Colonel Ralston, however, I find it is quite simple to make the Yukon calculation. Colonel Ralston in a letter to me on November 22 last says

The total percentage fixed by our report for distribution to British Columbia and the Yukon Territory is 10.286, and dividing this percentage in the same ratio as the enlistments for British Columbia bear to those for the Yukon (that is to say as 51,430 is to 2,327) gives for British Columbia 9.841 per cent and for the Yukon .445 per cent.

I notice that the percentages in the resolution now before the House differ from those as quoted in the bill last year, and probably there is some good reason for that. But they do differ. Apparently the percentages given in the bill and in the Ralston report were not correct, otherwise they would not be changed this year; and taking it on this year's percentage the calculation for Yukon will be somewhat different. The percentage for British Columbia and Yukon this year, instead of 10.286 per cent is now 11.213 per cent, and calculated on that basis the Yukon percentage should be .503, or about $11,000 in money. After getting the information from Colonel Ralston I corresponded with the officials of the Dawson branch of the Great War Veterans' Association, submitting the whole question to them for suggestions. I have here a letter from the secretary-treasurer of that institution to the following effect:

Dear Sir,—The Dawson Branch G.W.V.A. have instructed me to thank you for communications regarding the canteen fund.

The enclosed copies of a resolution passed at a largely attended meeting of the branch along with a number of other returned men expresses the unanimous and emphatic opinion of all present.

This matter has further been discussed with a number of prominent citizens including Mr. Percy Reid, Acting Gold Commissioner, and all seem to hold the same opinion as we do.

The resolution of the Great War Veterans' Association reads:

Resolved, that notwithstanding the disadvantage to which the Yukon is put through having no percentage of discharges or pensions taken into consideration in arriving at the sum allotable to the Territory from the canteen fund, this meeting nevertheless, with a view to arriving at a practical and expeditious solution of the difficulty, acquiesce in the figure of .445 per cent of the whole quoted by Mr. Ralston, Chairman of the Royal Commission on Pensions and Re-establishment, in his letters to Captain George Black, federal member of parliament for the Yukon, such percentage being based on enlistments only and amounting at present to $10,242, as being reasonably satisfactory under the circumstances.

Be it further resolved, that, due to the isolated position of the Yukon Territory, the lack of adequate communication during the greater part of the year, and the absolute impossibility of a committee situate 2,000 miles from here being able to handle the local situation sympathetically or intelligently, this meeting is of the opinion that it is in the best interests of Yukon residents entitled to receive benefits under the canteen fund that the Yukon's pro rata share of .445 per cent of the whole be handled by a local committee and that the Gold Commissioner and Captain George Black, federal member of parliament, be requested to give every assistance with that object in view.

That is signed by the president and the secretary. On February 24 this year I wrote to the minister enclosing a copy of that resolution. I will not take the time of the House reading my letter but I should like to put it on Hansard in order to make clear my position in regard to the matter. The letter was dated Ottawa, February 24, addressed to the Minister of Soldiers' Civil Re-establishment.

[The letter from Mr. Black to the minister reads:

Hon. H. S. BELAND,
Minister of Soldiers' Civil Re-establishment,
Ottawa.

DEAR SIR:—

re Canteen Fund

Since the last session of parliament I have given the matter of the most advantageous way of handling Yukon's share of the above fund careful consideration, and have corresponded concerning the same with the G.W.V.A., of Yukon, and with Mr. J. L. Ralston, chairman of the Royal Commission on Pensions and Re-establishment, on whose recommendations the bill of last session, I understand, was drafted.

On the basis of calculation used in arriving at the sums to be allotted to the various provinces Yukon would be entitled to .445 of the whole, and amounting to at present $10,242 such percentage being based on enlistments only and not including pensions and discharges.

I enclose, herewith, an original copy of resolution passed at a representative meeting of the G.W.V.A. and other returned soldiers held at Dawson, January 14, 1925, in which it is declared that it would be more satisfactory to have the Yukon's share of the fund handled by a local committee than to have the same combined with that of British Columbia. I entirely agree with this resolution, and would respectfully urge that in the event of a bill to dispose of this canteen fund being introduced at this session of the House, the same shall provide for the handling of Yukon's share of the fund by a local committee to be appointed by the government. I would suggest as members of this committee, the Gold Commissioner of Yukon, who is the government's chief representative in that territory, and the president and secretary of the G.W.V.A. in Yukon. These officers have always been, and I believe will continue to be, representative citizens. At present the president of the G.W.V.A., Mr. D. C. Thomson, M.C., is manager of the Canadian Bank of Commerce at Dawson, and Mr. C. S. McKim, secretary, is a government official.

I hope to have Mr. Ralston's co-operation in this recommendation.]

I was disappointed at receiving on February 27 the following letter in reply:

Dear Captain BLACK,—I beg to acknowledge the receipt of your letter of the 24th instant with reference to the distribution of the Yukon's share of the canteen funds.

The change which is suggested would entail the making-up of a new scale for the whole country, and moreover the other provinces might submit that discrimination had been shown against them inasmuch as a different basis for computing the Yukon's share would have to be used.

It is difficult to see how this can be justified.

As I stated at the outset, I am glad to find that the minister has modified that opinion and told the House that if the committee favours it he will be willing to allow an alteration in the bill to provide that the Yukon share may be placed in the hands of a local committee. I would therefore suggest for the consideration of the minister the following amendment:

That the resolution be amended by adding after the word "provincial" in the fourth paragraph the words "and territorial" and by striking out the word "nine" and substituting the word "ten" in paragraph (4) and that the British Columbia proportion be 10.710 and the Yukon proportion .503 instead of the proportions now in the resolution stated; and that a new paragraph be added as—

(5) (a) The Yukon allotment to be paid to a board of trustees consisting of the Gold Commissioner of Yukon and the president and secretary of the Dawson branch of Great War Veterans' Association, without remuneration, empowered to receive and hold the territorial allotment and to ascertain the wishes of those interested and residing in the territory concerning the disposition of such allotment, and to determine the object to which the allotment should be devoted, and to administer the same for such object or to provide for such administration by others. The expenses in connection with the trust to be a charge on the allotment.

I am quite sure the charges on the allotment will not amount to anything. The figures are based on the information I received from Colonel Ralston, the chairman of the Ralston commission, giving the method of calculating these percentages and amending them in accordance with the figures now given in the resolution, which as I pointed out before differ from the percentages given in the bill last year. The other clauses of the resolution—

Mr. BELAND: Before my hon. friend proceeds, may I ask how he arrives at his percentage of 5.503 for the Yukon?

Mr. BLACK (Yukon): Taking the percentage of enlistments only, without taking into account the percentage of discharges or of pensions.

Mr. BELAND: Why not?

Mr. BLACK (Yukon): In leaving those percentages out Yukon gets something the worst of it, but even at that the people interested are willing to do so in order to have their allotment separate. The percentages of discharges and pensions are left out because there were practically no discharges in Yukon and a very small percentage of pensions, so small as not to be worth taking into account. The other provinces get the advantages of the three branches of calculation; the Yukon is willing to take only one, the percentage of enlistments, and as the chairman of the Ralston commission takes the percentage at this basis, that is to say, as the enlistments of British Columbia, 51,430, are to those of Yukon, 2,327, so is this percentage—

Mr. BELAND: As far as enlistments are concerned?

Mr. BLACK (Yukon): Yes.

Mr. BELAND: And as far as discharges are concerned how do you arrive at it?

Mr. BLACK (Yukon): I leave the discharges and pensions out of the calculation altogether.

Mr. BELAND: Why?

Mr. BLACK (Yukon): Because I do not think there were any discharges in Yukon, and the percentage of pensions was so small it was not worth considering.

Mr BELAND: Could we not take the same proportion between the discharges in British Columbia and those in Yukon as between the enlistments in British Columbia and those in Yukon?

Mr. BLACK (Yukon): I think that would be a fair basis of calculation, and I would be very willing indeed to have it adopted. As to the other clauses of the resolution and of the bill of last year, they did not pass without protest, at any rate on my part. After the splendid work done by the returned soldiers through their organizations and agencies had been discussed in the House, I said:

> If the work has been done so well in the past why create another agency now?

That was in reference to this proposed adjustment service and bureau.

> Surely the efforts of returned soldiers on their own behalf, coupled with the work done by the Department of Soldiers' Civil Re-establishment, ought to be sufficient, but if an additional bureau is needed, I submit that the expense should not be met by withdrawing $100,000 from the canteen fund. That should be a government expense coming on the whole people. This $100,000 is not a gift to the returned soldiers in fact the whole of this $2,296,936 is the returned soldiers' own money now. It does not belong to the government or to the general public, it belongs to the returned men, who overseas ran a canteen and made a profit out of it, and now the money is their own. I submit that neither the $100,000 or any other sum should be taken out for this purpose. The bureau, according to the minister's own words is not necessary because the soldiers' interests are being so well looked after by the government and by the soldiers themselves.

I quote that to show the minister was not altogether correct in saying the legislation passed without protest; and to-night we have heard protests from many returned soldiers' organizations read by members of the House. With all due deference to the minister, I do not think he has been quite frank with the House or with the committee in this matter.

Mr. BELAND: In what way may I ask?

Mr. BLACK (Yukon): As I say, with all due deference to the minister, I think at the outset he sought to make it appear that no payments had been made or were contemplated to be made from the canteen fund to the Dominion Veterans' Alliance. He was asked on February 26 and 27, and again on March 5, if an order in council allocating any part of this canteen fund to the Dominion Veterans' Alliance had been passed, and the answer was in the negative.

Mr. BELAND: That was strictly true.

Mr. BLACK (Yukon): Oh, perhaps in the letter, but not by any means in the spirit. It was only when an hon. member produced a copy of the order in council and read it that the minister admitted there was any order in council at all. No one can read that order in council without realizing from it that money to the extent of $15,000, perhaps $25,000, has already been expended in anticipation of this $100,000, and apparently the minister is going to see to it that the trustees, whoever they may be, undertake to return that $15,000 or $25,000, whichever it is, to the soldiers' disablement fund.

Mr. BELAND: If they do not think the money has been properly expended for the maintenance of the bureau, they may refuse to reimburse the disablement fund, and the situation will be that the disablement fund will have improperly contributed to the maintenance of the bureau during a year and a half or two years.

Mr. BLACK (Yukon): I think the minister is going to know his trustees pretty well before they are appointed, and if they are not prepared to do as he thinks they should do they are not apt to be appointed. The order in council in fact had been issued many months before hon. members in this House directed this question to the minister. An order in council was issued and $25,000 of the disablement fund was used.

Mr. BELAND: No, $15,000.

Mr. BLACK (Yukon): I submit it is fair to suppose from reading the order in council which finally came to light that these trustees are practically to be directed to take that amount out of the canteen fund and pay it over to the disablement fund. These are the words of the minister, in fact of the government, in the order in council:

—and he recommends that the trustees who may be appointed after the passage of the Canteen Funds Bill at the next session of parliament be requested to reimburse the disablement fund the amount of $15,000 out of any moneys transferred to such trustees under the authority of the said bill.

That, to say the least, is a pretty straight tip to those trustees before they are appointed as to what they are expected to do. I cannot satisfy myself from the wording of the order in council whether the amount advanced was $15,000 or $25,000. There are two amounts of $10,000 and one of $5,000 mentioned.

Mr. BELAND: I said to my hon. friend it is $15,000, and I wish he would accept my word.

Mr. BLACK (Yukon): I did not understand that before. The minister's word is clearer than the order in council.

Mr. BELAND: I admit that the wording is a little ambiguous.

Mr. BLACK (Yukon): I say, as I said last session, that this adjustment service and bureau, such as is contemplated by the resolution, is unnecessary, and if it is not unnecessary it ought to be unnecessary. The Department of Soldiers' Civil Re-establishment is after all an adjustment service and bureau. It is a soldiers' bureau, or it should be. If it is not, what is it? What was it designed for? It is not needed in the general government of this country. We had sufficient departments to carry on the government of Canada, perhaps a few too many, before the Department of Soldiers' Civil Re-establishment was ever thought of, and it was created simply because services of that sort were necessary for the returned soldiers.

If the department is not an adjustment bureau, a soldiers' service bureau—well, what is the minister doing? What is the reason for his continuance in office if that is not what the department is for? And what is the large and expensive staff of the department being maintained for if it does not constitute a soldiers' bureau, if it is not for the purpose of attending to the business of returned soldiers? I submit that it is an admission of incompetence on the part of the department and of the head of the department to say that any go-between, any special agency is necessary as a medium of intercourse between his department and the returned soldiers. The soldiers should not require special counsel; the members of the minister's staff ought to be special counsel to every man who has to do business with them.

10 p.m.

Mr. BELAND: I am afraid my hon. friend is sliding into politics.

Mr. BLACK (Yukon): Well, I do not know that the members of the government have always been unwilling to bring politics into matters affecting the soldiers. Friends of his party did what they could in the constituencies during the by-elections to inflame the returned soldiers against the Conservative party in the account they gave to the public of how the pension bill of last session was handled. Right here let me call attention to a very refreshing sentence in this order in council. Let me quote the words:

Owing to the fact that this measure was introduced during the last few days of the parliamentary session, it failed to become law.

Now that is a plain statement of fact, and it differs very widely from the statement I heard made in the constituencies during the elections last fall as to why that bill failed to pass. Every effort was made, as I say, to prejudice the returned soldiers against the Conservative party because the pension bill of last session failed to pass—owing, the government's canvassers said, to the antagonism of the Conservative majority in the Senate. Though if we look at the history of the respective parties we will find that returned soldiers and soldiers before they returned fared quite as well at the hands of the Conservative party as they did at the hands of my hon. friends opposite. If we are going to talk politics in connection with this matter I am quite willing to do so.

We have had complaints, and we are getting them right along, from returned soldiers all over the country as to the policy of the pension board and the Department of Soldiers'

Civil Re-establishment. The policy of the pension board and the policy of the department are just exactly what the minister makes them; the pension board, like government officials in other departments, take their lead from the minister. If the policy of the pension board was not to the liking of the minister it would very soon be changed. I say that if such an adjustment service and bureau is needed, let the public pay for it. We heard a lot about the gratitude of the public to the returned soldiers when they were overseas, and I do not think the great majority of the civilian population, taxpayers of this country, would be at all averse to putting up $100,000 if that amount were needed to give the soldiers the benefit of special counsel here at the capital—because that is what the taking of this $100,000 means. On the other hand, if there must be such an "adjustment service and bureau," as it is expressed in the resolution, and at the expense of the canteen fund, I say, put that fund in the hands of independent trustees, not trustees who will take orders from the minister, no matter how fair or how proper those orders may be. The trustees should be absolutely free and untrammelled; they should not be handicapped in any way. As I have already pointed out, this order in council indicates all too plainly that they will get orders, if they do not get orders they will get directions. They are going to get advice as to what they are to do with $15,000 of this fund, to start with. That is not the sort of trustees we want. Let me say, with all respect to members of this House and officers of the permanent force or the Canadian corps, that in selecting these trustees the government might very well consider the advisability of including among them one or two who perhaps are not generals in the army. I heard to-day nothing but the names of generals suggested. I have every respect for these gentlemen, for their rank and their military records; but I do say that in civilian life to-day are to be found men who never wore a brass hat, who never obtained the rank of an officer, yet who have the entire respect of the community in which they live, have a wide circle of acquaintance, and would be quite fit and proper persons to be on that board of trustees.

Mr. MANION: May I ask my hon. friend one question as a matter of information? I did not hear more than one general mentioned, and that was Sir Arthur Currie. Were there some others?

Mr. BLACK (Yukon): There were at least three others. I would rather not repeat their names; you will find it in Hansard to-morrow. I say it would be better to leave the $100,000 in the hands of the minister and allow him and his government to take the responsibility for the administration of this fund than to shift the responsibility to trustees who are not absolutely independent.

If the minister is bound to use this $100,000, and I suppose he is, for the establishment of this bureau, then let him safeguard it by the terms of the bill so that it will not be sloughed off or frittered away. So word the bill that in the first place the fund will not be plundered of that $15,000. That $15,000 should never go out of the canteen fund to the disablement fund. We heard it said with some heat on the floor of this House by gentlemen opposite on the last occasion on which this resolution was discussed that it was entirely proper to use the disablement fund to the extent of $15,000 for the purpose for which it was used. If that is so, let it go at that, write it off. There is no reason why it should be paid back from this canteen fund; and that is one thing that should be safeguarded by the terms of the bill. I would provide for the investment of this $100,000 so that the bureau could be maintained indefinitely by the interest earned by that sum. I do not see any necessity for establishing any very elaborate bureau or agency service here at the capital. One smart agent ought to be quite enough; this $100,000 should earn $5,000 a year, and you could get a good enough man for $5,000. It follows as a matter of course that the great majority of cases could be handled without the intervention of this agency at all. Only a few contentious cases will come before the bureau. We have a corps of paid soldiers' advocates across the country from Halifax to Vancouver, paid by the month I understand; they might do a little for the soldiers in return for their salaries. I say it could only and should only be a very exceptional case that this bureau would have to handle, and an agent of ordinary intelligence, with the co-operation of the minister and his staff, should be quite sufficient to handle the business. Therefore I say that the bill should provide that the principal amount of $100,000 be invested and that the bureau be conducted on the interest earned thereon. I do not want to be misunderstood: I am entirely opposed to the use of this $100,000 for the purpose proposed. But if the minister must have his way and must put it through, put it through with those safeguards. Although attention has already been called to this feature of the resolution reserving the sum of $20,000 for the payment of any outstanding accounts, I cannot bring myself to believe that any such amount of

outstanding accounts exists. This fund has been in the custody of the government now for some years. If there are any outstanding accounts, why have they not been paid? I think the government would be quite safe in cutting down this $20,000 to say $2,000, and I think that $2,000 would probably be more than they would ever use. It seems to me that an effort has been made to trim this canteen fund from start to finish, right down the line. I think the minister would be better advised to do everything possible to see that as much of the canteen fund remains intact as he possibly can. If he has decided to follow the recommendations of the Ralston commission, and I admit I have no alternative to suggest, and to allocate the fund to the different provinces and the Yukon territory, there to be handled by local committees, I say by all means swell the amount so to be distributed provincially. Then you will have the fund in the hands of the local people who are conversant with local needs, and the fund will then likely be administered much more in keeping with the wishes of the returned men than if it was being handled by a central board here in Ottawa. I trust the minister will see his way clear, as he intimated he would, to segregate the amount due to the Yukon territory, and also take into consideration the suggestions I have made as to the balance of the fund.

Mr. BELAND: Just a word in reply to my hon. friend. I understand that he does not want to press this amendment on the resolution.

Mr. BLACK (Yukon): No. I am suggesting it for the consideration of the minister in draughting the bill.

The CHAIRMAN: The hon. member for the Yukon (Mr. Black) has moved an amendment. I understand that he does not now wish to press it.

Mr. BLACK (Yukon): Except with the minister's approval.

Mr. BELAND: I do not approve of the amendment as it is, but I have made some suggestions to my hon. friend to which he has agreed, and we can go into a conference a little later and see whether we can draft a clause which will be acceptable to him. So much for that part of my hon. friend's remarks.

Of course, when my hon. friend speaks he always finds a way to have his little political innings. He has had a little fling to-night at the department, at the minister in charge, and at the government. I suppose that is all in order, but up to the present time we have very carefully avoided touching upon the political side at all in considering this resolution.

My hon. friend has criticized the creation of the adjustment bureau as an adjustment bureau. He claims that it is unnecessary. He is entitled to his opinion as a member of this House and as a citizen of Canada, and I respect his view, but I must say that there are very, very few people in the House or in Canada who share in it. Surely it is not shared by the returned men, surely it is not shared by the associations, surely it is not shared by the royal commission. I understand that they are all in favour of maintaining an adjustment bureau.

As to whether the money should come from the public or from the canteen fund, it was not for me to decide. The royal commission, after having consulted returned men from all over the country, came to the conclusion that they should recommend to parliament the adoption of legislation the purport of which would be to allow $100,000 for the maintenance of such a bureau, this amount to be placed in the hands of a central board of trustees. My hon. friend says it should not be necessary to have an adjustment bureau. What is the department for? he asks. Well, the returned men have had an office here in Ottawa since 1919; I am quite sure I am within the limit in stating that. Since that time they have had some association or other working in their interests, either to have claims recognized or to obtain employment for returned soldiers in the government service. They have done that. They have been assisted by the former government to a large extent; they have been assisted by this government to a smaller extent; and now here is a proposal which they approve, for I have already quoted to the committee that the principal associations have agreed that this legislation should go through. They are willing to accept the idea that $100,000 should be laid aside for the maintenance of the bureau. What they object to is that one particular association should be singled out for the purpose, and in that I am inclined to agree with them. I have been under the impression up to three or four weeks ago that the Dominion Veterans Alliance, or the Great War Veterans Association's head office represented all the ex-service men in Canada. I have repeated in this House that the secretary-treasurer of the Great War Veterans Association has been appointed as the soldiers' representative and appeared as such before

every parliamentary committee since 1919. I remember when we sat in the museum under the chairmanship of Mr. Calder, Mr. MacNeil was recognized on that occasion as the authorized representative of the ex-service men for the committee. This bureau has existed. It has expended undoubtedly a large sum of money, and now the royal commission recommends that a bureau should be maintained. They do not say it should be the Great War Veterans Association, or the Army and Navy Veterans, or the Tubercular Veterans Association, or the Dominion Veterans Alliance. They say: Maintain a bureau, and here is $100,000 that you will pass over to a central board of trustees, the majority of whom will be made up of ex-service men.

Now my idea is that this board should be composed of outstanding men commanding the respect and the confidence of all the returned men in Canada. I have stated that I had already thought of Sir Arthur Currie. As a matter of fact when the bill was under consideration last year I had drafted a letter to Sir Arthur Currie asking whether it would be agreeable to him to serve on such a board. I am disposed to ask him if he is agreeable to serve on this board. I have no objection to the different associations getting together and indicating whom they want appointed to this board. Further than that I cannot go. I have expressed my willingness to make all possible effort within my power to the end that this board shall be absolutely removed from political or governmental influence: I do not think I could go any further than that. Surely there is no reason why we should indulge in politics in considering a question of this kind.

Mr. CLARK: Did I understand the minister to say that the proposals contained in the amendment of the hon. member for the Yukon (Mr. Black) would be embodied in the bill?

Mr. BELAND: In an amendment to the bill.

Mr. CLARK: Has it been drafted?

Mr. BELAND: It will be before the House when the bill comes down.

Mr. CLARK: Would the minister mind reading it?

Mr. BELAND: I have no objection, but we are on the resolution now.

Mr. CLARK: I understand the minister proposes to amend the resolution now before the House when he introduces the bill by altering that portion of the resolution which is referred to in paragraph 4. He will provide in the bill that the share going to British Columbia and that going to the Yukon shall be separated.

Mr. BELAND: That is right.

Mr. CLARK: And British Columbia will get a proportion, and the Yukon will get a proportion. I was wondering in what respect the bill would alter the resolution before the House.

Mr. BLACK (Yukon): Perhaps the minister would let me answer. My suggestion was that taking the percentage of 11.213, as set out in section 4 of the resolution for British Columbia and the Yukon, the Yukon proportion be extracted and put in by itself, just exactly as the minister suggested, when we were discussing this matter previously in the House, that the share for Prince Edward Island, which is now grouped with Nova Scotia and is set out at 6.288, should be segregated, as it was in fact segregated in the bill of last year. It merely amounts to a separation.

Mr. BELAND: Does my hon. friend wish to know the nature of the amendment?

Mr. CLARK: Yes.

Mr. BELAND: There is now a certain percentage allotment to British Columbia and the Yukon together. The idea is to make them separate, to take the figures of enlistment, the figures of discharges and the number of pensioners in British Columbia, and to establish the same proportion between discharges and enlistments in British Columbia to those in the Yukon. This plan is somewhat generous to the Yukon. My hon. friend realizes that practically no discharges took place in the Yukon, though 2,700 enlistments were registered there. We take the number of enlistments in British Columbia and the number of enlistments in the Yukon, and then apply to the Yukon the same proportion between discharges and enlistments as exists in British Columbia between discharges and enlistments. That would make it of course somewhat more generous to the Yukon. As to the pensioners, of course the number is known. We do not know the number of discharges in the Yukon. There is no record in the Militia department of it; so we are allowing the same proportion between enlistment and discharges in the Yukon as exist in British Columbia.

Mr. CLARK: Do I understand there is no record whatever in the number of discharges in the Yukon?

Mr. BELAND: That is my information.

Mr. CLARK: Do I understand that the minister proposes to apply a different principle in arriving at the proportion in the Yukon from the principle applied to Ontario or Quebec or the other provinces?

Mr. BELAND: I do not say that it is altogether a different principle, but we must take into consideration the geographical conditions. It is realized that men coming from overseas, though they have enlisted in the Yukon, have taken their discharges somewhere in Canada this side of the Yukon; and for the purpose of re-establishing the proportion that would have existed but for this unfortunate circumstance, I would be agreeable to apply to the Yukon the same proportion between discharges and enlistments as exists in British Columbia between discharges and enlistments.

Mr. CLARK: But the share of the Yukon will be taken off British Columbia—not off the other provinces. Is that not a fact?

Mr. BELAND: I must say it will decrease to that extent the share of British Columbia.

Mr. CLARK: Will the minister state what proportion he proposes to give to the Yukon?

Mr. BELAND: I have not the figures just now. I thought I had them. I can obtain them.

Mr. CLARK: Can the minister give us any information as to the number of returned soldiers who are now in the Yukon?

Mr. BELAND: I have no idea.

Mr. CLARK: Will the minister give us the number of enlistments that took place in British Columbia and the number in the Yukon?

Mr. BELAND: The number of enlistments in British Columbia was 51,348, and the number of enlistments in the Yukon was 2,327.

Mr. CLARK: In connection with the proportions as they apply to all the provinces, will the minister tell us whether these proportions are worked out on the basis purely of enlistments, or whether the question of service in the theatre of war has anything whatever to do with the making out of those proportions?

Mr. BELAND: The figures relating to discharges apply only to those who were overseas, because the canteen fund is for them only. As to whether they served in the actual theatre of war or not, I do not think there is any difference.

[Mr. Béland.]

Mr. CLARK: First of all, the minister takes into consideration as I understand the enlistments, whether the men left Canada or not.

Mr. BELAND: I should think so, because the total enlistment here is 590,000, and I suppose that would include them all.

Mr. CLARK: Why does the minister take into consideration the enlistments? Why does he include in the proportion those who did not leave Canada, because those men who enlisted but did not leave Canada contributed nothing to the canteen fund, and are in no way interested in it. I am not quite sure that we would apply the same principle to those who enlisted and went to England but did not go to France. I do not know whether there was any contribution to the fund by those who were in England but not in France. So far as Canada is concerned, I understand those who enlisted and did not go overseas contributed nothing. I want to ask why, in working out the proportions, the minister takes into consideration the number of men enlisted who did not go to France.

Mr. BELAND: My hon. friend, of course, is aware that I am carrying out the suggestion that was made by the royal commission in this regard. They have decided that we should take the enlistments, whether the men went overseas or not, as one basis, then the discharges of those who saw service overseas as another figure and then the number of pensioners. Having arrived at this we should then strike an average for each province, for each territory, and I suppose it is because they thought it was the most equitable manner in which the question could be handled. Personally I have no inclination one way or the other.

Mr. CLARK: Before the minister introduces the bill, will he consult with Sir Arthur Currie, so that when the bill is introduced he may inform the House whether Sir Arthur Currie would be prepared to accept?

Mr. BELAND: Does my hon. friend mean that I should get in touch with Sir Arthur Currie between now and the date of the introduction of the bill? What is the object?

Mr. CLARK: So that the House would be informed then whether the desires of hon. members as expressed to-day can be carried out. If, for instance, Sir Arthur Currie said that he could not act, then we might have some other useful suggestions for the minister, and we might even have amendments to move to the bill. If the minister were in a

position to inform the House that he had consulted with Sir Arthur Currie and that the latter was prepared to act as one of the trustees in connection with the adjustment bureau fund, then we would be quite satisfied, in all probability, to allow those sections of the bill to be passed without further discussion or proposed amendments.

Mr. BELAND: I do not say exactly what I shall do in this connection. This is a most unusual procedure. My hon. friend will admit that it is something absolutely unknown in parliament that hon. gentlemen should request a minister, before he goes any further, to find out by telephone or by letter what the sentiments of one particular person would be in a certain connection. I had the assurance by letter a year ago that Sir Arthur Currie would be willing to serve on such a board. Sir Arthur Currie is living; he is in good health; he is a prominent man; he has to-day as much leisure as he had at that time, and I see no reason why he should refuse to-day. I am somewhat reluctant—I say this in all sincerity—to go to the telephone to ask Sir Arthur Currie whether he would serve on such a board or not. I am satisfied he will be willing. I can say to my hon. friend that it is my intention to ask Sir Arthur Currie to act on this board, but I somewhat hesitate to do it as it is suggested.

Mr. CLARK: The minister says that it is unusual to consult with a man and ask him whether he is prepared to do a thing. With all deference, I cannot see that it would be unusual because there has been a great deal of legislation where individuals have been named in the bills as trustees or in other positions. The minister need not go to the telephone; he need not telegraph. There will be ample time before the bill is introduced for the minister to write or to have his secretary write a letter to Sir Arthur Currie, or to send him a copy of Hansard if he wishes to inform him of the desires of hon. members and the details of the debate, and to get an answer from Sir Arthur Currie so that, if necessary, he can be named in the legislation as one of the trustees.

Mr. MANION: Might I in that regard again point out to the minister as I think I did this afternoon that, in his letter to the Prime Minister of May 7, 1923, Sir Arthur Currie said:

> I myself would be glad to serve on such a board.

He had described such a board as we have suggested, and he went on to suggest two or three other members. Therefore at that time he was quite willing to act as a trustee, and I think if the minister approaches him either by letter or telephone, he would probably accept. I am hoping so.

Mr. HUMPHREY: I rise not for the purpose of opposing this resolution, but to give it my support. This is a very old question, one which has been before the eyes and attention of returned men and others for a number of years. Nevertheless, in giving it my support, I fear it is not going to solve the difficulties of an adjustment bureau. Let us go back a few years to the after period of the war. Immediately after the war ended, adjustment bureaus, committees, and associations were formed throughout the Dominion of Canada to take up the various questions of returned men, and to do the best they could for them, their widows and orphans. These adjustment bureaus have laboured under many adverse conditions, but they have been able to accomplish a great deal. My experience has been that the function of these adjustment bureaus has been to adjust cases so far as they were able to do so, and in this regard they have fulfilled as far as possible their duties to returned men, the different representative bodies and the country.

Clause 2 of the resolution states that the sum of $100,000 is to be paid to a central board of three trustees for the purpose of maintaining an adjustment service and bureau for the benefit of ex-service men and their dependents. What would be the function of that bureau? I would gather that it would be similar to that of the different organizations that were formed in the past. I have always believed that it is the responsibility of the state and that it should never have been the responsibility of organizations of returned men to contribute to an adjustment bureau or service organization to bring forward their different needs and requirements. I am convinced that the question of giving to returned men, their widows and orphans their just dues and rights is a responsibility of the federal government. If we had had a department or a branch of a department in which the returned men had absolute confidence, it would not be necessary now to finance an adjustment bureau by the returned men or from the canteen fund. It is the duty of the state to give the returned men what is their due without their being obliged to put up a continual fight such as we have witnessed throughout the length and breadth of the country. It has been brought to the attention of parliament and of every government that has been in power since the war that the returned men

have had to finance their own organizations in order to obtain what has been regarded as their just due, and in that way it seems to me that the responsibility of the state has been shifted in the administration of some of our departments. In establishing another adjustment bureau we are only perpetuating a good deal of the dissatisfaction that now prevails. Nevertheless, it is my opinion that the bureau is absolutely necessary; I am not of the opinion that it can be done without. I will go so far as to say however that there should have been no necessity for it; it has been my candid opinion that the bureau should have been unnecessary, and we should not have had to pass legislation of this kind, taking money from the canteen funds that belongs to the returned men who enlisted and using it for the purpose of financing this institution.

On the other hand, in face of the conditions that exist, I am quite willing to support the resolution. From my experience gathered in the past few years in which I have been a member of the special committee investigating pensions and matters of re-establishment, I have come to the conclusion that something was necessary. It has been brought to the attention of parliament that there was a necessity for something in the shape of an investigation, and a commission was appointed, known as the Ralston commission, who after a thorough inquiry brought in a report recommending that steps be taken to provide funds for an adjustment service. I feel therefore that the bureau is necessary, and the next move is to provide the funds. I must frankly say however that I cannot agree that it is the duty of returned men's organizations to take their own funds to finance their adjustment service and bureau. I should think that the country would be of the opinion that these organizations deserve some contribution from the general funds to the extent of one hundred, or one hundred and fifty, or two hundred thousand dollars. In view of what is taking place, in view of the different investigations that have been held, I feel that the present is the next best move; but as I have stated before, it is my opinion that if the country had had confidence in the different tribunals that have been set up, this legislation would have been unnecessary.

Now, I do not wish to have it inferred from anything I have said, nor do I want it insinuated, that it is my desire to drag politics into this question in any way whatever, but I feel that I am bound to take this stand in view of all the circumstances. And I take it without prejudice and absolutely with no desire to reflect upon any of the administrators of the departments. The fact however is, it seems to me, that had the returned men and their organizations had confidence in the Board of Pension Commissioners, and had that body functioned in such a way as to overcome many of the difficulties that arise to-day, as they have arisen in the past few years, the present undertaking would have been obviated. What would be said if during the present session legislation were introduced to establish an adjustment bureau to take care of claims coming before the Civil Service Commission, or an adjustment bureau in connection with the Board of Railway Commissioners? Well, as I see it, the Board of Pension Commissioners is to some extent in the same category as the railway commission or the Civil Service Commission. Here we are providing machinery to enable the returned men to secure their just due, when there should be no necessity at all for it. It has been proved to my satisfaction that within the past four years particularly the vast majority of these cases have been adjusted by representatives of the organizations before the Board of Pension Commissioners, and I reiterate that if the Board of Pension Commissioners had functioned as the people believed it should have done this legislation would now be uncalled for. Under the circumstances, however, I am perfectly satisfied that this legislation is absolutely in the best interests of the returned men, especially in view of the thorough survey carried out by the Ralston commission. And so far as I have been able to ascertain it has the unanimous approval of the returned men. I am sure that there may be some objections to this legislation, but in view of all the conditions I feel that I can give it my hearty support as being in the very best interests of the returned men and of the country as a whole.

Mr. CHURCH: An afternoon and evening spent in this way in friendly debate in the interests of the returned men is well spent. As I have stated before, some of the men have sent telegrams on this question and I find that there is a great deal of objection to this particular division. The minister will remember that we had a Red Cross and a patriotic fund, involving some $44,000,000, the administration of which was carried out by a large number of prominent business men throughout Canada at a minimum of cost. Here is a canteen fund of about two and a quarter millions and I think it will be agreed that in these four or five sections of the resolution we have the costliest piece of adminis-

tration provided for. It is a waste of money, and after the various administrators, Dominion and provincial have got through, there will be very little left to be devoted to the objects of the Ralston report. Here we are in 1925 seven years after the war providing for an adjustment bureau with headquarters at Ottawa and with a paid staff. What it is necessary for I do not know, for I cannot see what it will adjust. I thought that one first result of the Ralston commission's inquiry would be the simplifying of the Pension Act; but there is such a vast amount of red tape connected with the whole thing that the functions of the central board have been largely frustrated. I fail to see what good this particular board can do in the case of a soldier living in London, in Hamilton or in St. Catharines. What is there to adjust?

Why should a soldier need somebody to fight his case for his pension with the government—seven years after the war? Why should we have to go before the D.S.C.R., the pension board, the Federal appeal board, this new bureau, the Soldiers' Aid Commission of Ontario, the municipality, the local soldiers' organizations, and the unit to which he belongs? Why all this red tape seven years after the war to get a small claim against the government adjusted? The soldier is not going to live forever; these returned men are dying off by hundreds every month. Here you have a canteen fund of two and a half million dollars to administer, and you have a complex system of red tape with five or six methods of disposing of it. In the case of the $45,000,000 patriotic fund the services of some of our prominent business men in Canada were enlisted free and the fund was administered with a minimum of cost to the country and the maximum of efficiency.

I think the minister would have been well advised if he had followed a similar course for the administration of the $2,250,000 canteen funds. And I hope he will not think any remarks made from this side of the House are made in an unfriendly way, because I am sure all three parties in the House are trying to do the best they can to help the minister and our returned men. One of the objects of forming the D.S.C.R., as I understand, was largely on account of the lack of sympathy and the red tape in the Militia department. It was felt that that department had not full sympathy with the returned men in some respects, although it gave a good account of itself during and after the war.

This so called central bureau is claiming for itself very large functions and powers—for the maintenance and assistance of ex-service men and their dependents. It will not do the work at all. Evidently that is the view of the provincial government of Ontario, for, acting on the report of the Ralston commission, they have voted, I think, $50,000 for the purpose of aiding the returned men of Ontario in presenting their applications before the Dominion government for pensions and relief. Therefore in my opinion, Mr. Chairman, any necessity for the establishment of this proposed bureau is largely taken away by the action of the Ontario government and of various local organizations of returned men who assist the returned soldier to present his case.

I notice that the sum of $20,000 is to be held for the payment of any outstanding accounts. That should never have been charged to this fund; it should have been looked after by the D.S.C.R. Why should a returned man seven years after the war have to retain a lawyer to get his rights which the people of Canada and this parliament are anxious that he should get? No narrow technical construction is now placed upon the Pension Act, and in my opinion there is no occasion for distributing the canteen funds in this way. I agree with the hon. member for Yukon (Mr. Black) that instead of allocating $100,000 to a central board, the work which this central board is to look after should be attended to by the Soldiers Civil Re-establishment department of the government. Indeed, I have every confidence that the minister himself would do far better work with this $100,000 than a central bureau of irresponsible people having no connection with the government and not accountable to the soldiers. As to the provincial boards to be appointed by the Lieutenant Governor in Council in each province, I fail to see what use such boards will be to the returned men. Last year when this matter was up the hon. member for Rainy River (Mr. Manion) asked what the duties of the readjustment board would be, and the minister (Mr. Beland) quoting from the Ralston report, said:

> There are a variety of instances in connection with such questions as government employment, land settlement, training, housing and rehabilitation activities generally, the considerations affecting which depend on the presentation of the individual case rather than on the terms of a general regulation. There are also parliamentary matters not only affecting pensions but amendments to existing statutes which may indirectly affect the rights and privileges of ex-service men, and in addition there is the desirability of having some agency completely detached from government organization to supply the necessary personal contact between ex-service men and dependents and those who deal with matters affecting their interests.

And he added:

This outline fully indicates what the duties of the service bureau will be and, I think, are, because at the present time those duties are being discharged here in Ottawa, and in my opinion to the general satisfaction of the men.

Well, as I have already said, the government of Ontario have offered to fight the cases of returned men before the appeal board, and with the new Pension Act provisions. There should not be any necessity for bureaus and a lot of organizations to get a returned man justice and his rights without all this trouble and annoyance.

The third clause proposes that $50,000 shall be paid to the United Services fund of Great Britain, and $50,000 to the American Red Cross. In my opinion any of our returned men in distress in the United States should be repatriated by the government of Canada and civilly re-established here. Many of them cannot get work there because they will not take out naturalization papers. After the Civil War the Grand Army of the Republic did not have to leave the United States to look for work; they found ample opportunities for their abilities and energies in their own country and members of which organization became President of the United States, state governors, presidents of railways, and filled other important executive positions all over the country, with the result that they dominated public life and the government of the United States for fifty years after Lee's surrender to Grant and the civil war of the North and South was ended. They got into politics and stayed there and the returned men in Canada should follow their noble example.

Rather than create a control board it would be better if the minister and his department did this work themselves. It was stated by the minister last year that the residue of the fund was quite a respectable sum, amounting to over $2,000,000. This, he said, was to be divided among the nine provinces on a pro rata basis. The Lieutenant Governor in Council in each province was to appoint a board to administer the fund. The minister was asked whether any ballot had been taken to ascertain the views of the returned men, and he replied that 5,000 ballots had been cast by returned men and that the largest number of votes was given in favour of the education of orphan children—schemes of education, and that the second largest favoured relieving meritorious cases or cases of unemployment and distress. These were the two main schemes suggested. If it is a question of relieving meritorious

11 p.m. cases and cases of unemployment, this money could far better be distributed among the municipalities throughout the country for that purpose.

The Ralston commission went into the whole question of the canteen fund. They investigated what the Mother Country had done and what methods had been adopted in Australia and the United States, and they made certain recommendations. The first principle the adoption of which the commission recommended was as follows:

Firstly, that the fund should, in the opinion of the commission, not be spent immediately but its use should be providently spread over a reasonable number of years so that there would be something available for children now very young who might later be benefited by special assistance in particularly distressing circumstances which might arise at any time until a wage-earning period is reached, or who might become eligible for school or university scholarships if such were created. Neither should the fund be kept perpetually.

I think that is a good principle. The report continues:

The report of the United Services fund in Great Britain contains the following:—

"It is preferable in a fund of this nature that the greatest amount of good should be done over a limited period of reasonable length rather than that any sum should be set aside for an indefinite period." In England the period decided on was fifteen years from 1923.

Then the other recommendations they make are as follows:

Secondly, any use of the fund for relief purposes from time to time should be limited to the class of cases for which no relief is then available from government sources; in other words, the money should not be used to relieve the state of any responsibility devolving on it.

I think that is a good principle, because many returned men who were over in France for two, three or four years get no relief under existing legislation. Such a fund as this would take care of some of these cases.

Thirdly, that only ex-members of the Canadian Expeditionary Forces below commissioned rank who served in France or England, and their dependents, should be eligible to participate in the benefits of the fund.

That is to give the rank and file the benefit of the fund; I think that is a very wise proviso. With these principles in mind the commission has two suggestions to make regarding schemes for disposition of the fund, as follows:

(a) Assistance to specially meritorious cases where ex-members of the forces and their dependents are in genuine distress. No elaboration is needed here. The experience of the United Services fund of Great Britain will afford valuable information and guidance. This is the purpose for which a similar fund is used in Australia, and has been frequently put forward as a suggestion.

(b) The provision of scholarships in schools (not necessarily confined to the higher grades) and universities, for specially promising children of ex-service men.

With regard to that educational clause, many children whose fathers were killed in the war can only with difficulty be sent to high school on the miserable pittance of $18 a month given for maintenance of high school children.

The main recommendation of the Ralston report is in respect to meritorious cases or cases of unemployment. Just the other day the Mayor of Brantford sent a communication to Ottawa addressed to the Prime Minister, in which he said:

> Situation among unemployed ex-service men and their families one of extreme seriousness. Local organizations, churches and municipal authorities doing everything possible to provide relief among the unemployed. We respectfully suggest that men who served overseas and their dependents have special right to look to federal government of Canada with reasonable confidence for asistance in such period of difficulty and distress. May we urge cabinet consideration.

The hon. member for Kingston said that returned men who were out of work were the wards of the state, and so they are. They should be and they are entitled to be looked after properly. They should not be obliged to go around the large cities, when they are out of work, begging for relief for themselves and their families. I believe the minister tried to do what he could last year in this connection, but all the government can do is a mere nothing when you consider the large number of men who are in need of assistance. I say again that either the minister should take charge of this fund himself or he should appoint two or three good business men, such as those who gave their services in connection with the patriotic fund and red cross activities, to administer the fund. If that was done a great deal of unnecessary and useless duplication and paid organization would be saved and a great deal of unnecessary work and red tape would be avoided.

Mr. MANION: Mr. Chairman, it is eleven o'clock, and I think we—

Some hon. MEMBERS: Go on.

Mr. MANION: We will go on if you wish, but I was going to suggest to the minister that there are a number of members who wish to take some part in this discussion.

Mr. McBRIDE: Bring them here.

Mr. MANION: I refer to such members as the hon. member for Parry Sound (Mr. Arthurs) an outstanding returned soldier member of this House, who has always been on the committees dealing with these matters and who is well posted on them. The reason he is not here is because none of us expected that this matter was to come up to-day. Until I got here this afternoon I had no idea that the resolution was to be taken up; I thought it was likely to go over until after the budget debate. There is no intention of holding the minister up, but I would like to point out to him, as I said to him privately a moment ago, that whatever time is taken up now on the resolution will be saved when the bill is before the House. I would ask the minister to let the resolution stand over for another day, if reasonably assured that it will not be further held up; I know of no reason why it should not carry the next time it is considered. There are quite a number of points about this resolution which we have not yet dealt with. I was going to speak just two hours ago on one aspect of the case; I was going to bring to the attention of the minister again the question of the $100,000, but I was interrupted, I think by the hon. member for Yukon; some others followed him, and I have not since had a chance to say a word. I do not wish to go on at this stage.

Some hon. MEMBERS: Go on.

Mr. MANION: That is for the minister to say; if he says so, we will go on. I think, however, he will not save any particular time by going on. He would probably be just as well advised to have the resolution held up another day.

Mr. BELAND: We discussed the resolution on a former occasion for two hours, and we have discussed it the whole of to-day with the exception of the hour given to the budget. Apparently only one clause of the resolution lends itself to objection on the part of certain hon. members. I think that almost every hon. member who has an interest in this resolution has addressed the House. The hon. member for Parry Sound (Mr. Arthurs) for whom I have the greatest admiration, was in his seat the other day and shared in the discussion. I say in reply to my hon. friend that if he is willing to allow the resolution to pass, we will introduce the bill this evening, and it will go down on the order paper for its second reading, and then the next time the bill comes up in the House there will be ample opportunity for discussion on the second reading, and again in committee of the Whole, when the whole bill will have to be considered clause by clause, and when any amendment may be proposed. I have supplied the House with all possible information in connection with this measure. It passed the House last year, and hon. members are perfectly conversant with the whole situation. I think the House has been given

the most generous treatment in connection with this bill. Now I appeal to my hon. friend to allow this resolution to pass. That does not commit him or his friends in any degree.

Mr. MANION: I am sorry to disagree with my hon. friend, but it does commit us. The resolution when passed absolutely commits us to the principles and there are two or three principles which I wish to discuss before agreeing with them. I have no intention at the present time of pressing some of the objections which I, and I think other hon. members, have to a vote, but we wish to discuss the resolution fairly before it passes. I do not wish to reply to the minister until he has finished his remarks, but I would ask him to bear in mind that if we vote for the resolution, we are voting for the principles of the resolution, and with some of them we do not agree at the present time.

Mr. BELAND: I take it for granted that my hon. friend agrees to the principle of the resolution.

Mr. MANION: The large principle, but not with smaller principles.

Mr. BELAND: If my hon. friend wants to have clauses of the bill amended, it will be open to him to move an amendment in committee of the Whole on the bill. I appeal to my hon. friend. I think in the interests of expedition of business in this House it will be better to allow this resolution to pass tonight. I think we have been most generous in regard to this measure, and if we allowed as much time on every other measure as we have allowed for discussion on this, the session would never come to an end.

Mr. CLARK: I would like to point this out to the minister. While it is quite true this discussion was introduced this afternoon after the budget speech was delivered, though I have a vital interest in this matter, I have been on my feet only twice since the budget speech was delivered, and each time it was merely to ask the minister a question, I have some rather extended observations to make first, on clause 2 of the resolution. There are several things that I do not agree with, and perhaps the minister knows my position on that clause fairly well from my questions. Again, clause 5, which refers to the whole fund, involving an amount of $2,000,000, has not had one word of discussion. I want to tell the minister now that I do not agree with the principle of his resolution, and before the bill is introduced I would like to have the opportunity of presenting my position to the House. There has been no objection taken by any member so far in regard to the principle involved in clause 5, which relates to the disposal of $2,000,000, and I do not think it is fair to ask any hon. member to make a presentation in regard to the principle of a clause involving the disposal of $2,000,000 at ten minutes after eleven.

Mr. VIEN: Why?

Mr. CLARK: Would it be fair to ask any minister to commence the discussion of any subject after eleven o'clock at night? Why not bring down the budget after eleven o'clock, and then go on with the budget debate? I am pointing out that there has not been one word of debate on clause 5 this afternoon or evening, and I assure the minister that it is perhaps the most vital portion of his resolution. Personally I have not been given one opportunity to speak on any portion of this resolution since it was introduced this afternoon. I have asked two or three questions but I certainly have not made any remarks on the resolution, because I have not had the opportunity.

Mr. BELAND: Is my hon. friend in a position to say how much longer time he would require, he and his friends, to dispose of the resolution or come to a vote on it?

Mr. CLARK: So far as I am concerned, I would certainly want three-quarters of an hour.

Some hon. MEMBERS: Go ahead.

Mr. CLARK: I assure the minister that the observations I will make will require some further discussion. I know there will be points brought out that certainly members on this side of the House will want to discuss, and I am quite certain that if hon. members opposite whom I now see thick in their seats, but who took no interest in this debate this afternoon and this evening—

An hon. MEMBER: We are having enough now.

Mr. CLARK: Hon. members are interrupting me now when I am attempting to present the matter in fairness to the minister. All I am asking is fair treatment, for an opportunity to discuss the disposal of the main portion of the canteen fund, involving $2,000,000, and which portion of the resolution has not received five minutes of discussion either to-day or at any time this year.

Mr. MANION: Before the minister replies, may I say further that my hon. friend from Burrard (Mr. Clark) is not the only one

who wishes to discuss this matter? The minister asked the hon. member for Burrard how long he would be likely to take, and the hon. member has indicated how long he would take. I have already suggested to the minister, and I repeat it, that I have no reason for believing that there would be any likelihood of holding this bill up further than possibly another afternoon. That means only three hours, and possibly part of the evening at most, of another day. The discussion that takes place on the resolution will mean that much less discussion on the bill, because we will have come to an agreement, I hope, with the minister. I am not criticizing the minister's attitude this afternoon in any way. He has been quite reasonable in his acceptance of suggestions that have been put forward, and I give him credit for that. There are other questions upon which, if we had more time, he would perhaps come to agree with us. I again suggest to the minister, and I make this suggestion just as much for the purpose of saving time as my hon. friend the minister desires it, that he hold this over for another day and discuss it on one more occasion, whenever he wishes; that is his privilege, of course. The discussion that takes place on the resolution will save time on the bill.

Mr. HUMPHREY: Just before the minister answers, we all know what took place in this House in regard to this legislation on a previous occasion. This House has been accused of not sending legislation forward early enough, and it seems to me that with all the discussion we have had, we really ought to be in a position to get down to some basis of co-operation, and advance some legislation. It would appear to me that there would be ample opportunity for making suggestions or even amendments when the bill comes down and is considered clause by clause in committee. I would be strongly in favour of asking the minister to go on with the resolution.

The CHAIRMAN: Shall I report the resolution?

Mr. MANION: I would like the minister to reply.

Mr. BELAND: May we expect to dispose of this resolution to-morrow?

Mr. MANION: To-morrow is private members' day, is it not?

Mr. LAPOINTE: No.

Mr. MANION: I understood it was.

Mr. STEWART (Argenteuil): We postponed the budget debate till Thursday in order to oblige hon. gentlemen opposite.

Mr. MANION: The hon. minister was not doing more than other governments have done. The request has never been refused. It has always been granted.

Mr. STEWART (Argenteuil): No.

Mr. MANION: The minister was doing the same as previous ministers have done.

Mr. STEWART (Argenteuil): Oh, no.

Mr. MANION: In fact if he had not done it, it would have been an act of discourtesy, because it has never been refused.

Mr. STEWART (Argenteuil): Oh no.

Mr. MANION: I would not like to promise that three hours would complete it. Possibly it would.

Mr. MACDONALD (Pictou): Tommy Church has been obstructing for an hour. Everybody knows that.

Mr. MANION: He has been doing nothing of the sort. The hon. member for North Toronto (Mr. Church) has been expressing his views, as any hon. member has a right to do. He has been making a speech. The last time he spoke he did not occupy more than half an hour. I appeal to the fairness of the minister and the fairness of the government in this matter. If they do not wish to accede to the request, I do not desire to make any threat about it, but we have a lot of material which would take some time if we went on with it.

Some hon. MEMBERS: Go on.

Mr. MANION: Might I ask the Prime Minister or the Minister of Soldiers' Civil Re-establishment, or our noisy friend from Hants (Mr. Martell) who is demanding that we should go on, what is all the rush this session? We are dealing here with a question which is of the utmost importance. I have seen the hon. gentleman who is Prime Minister at the present time, many times when in opposition, hold up the House for hours on one item.

Mr. MACDONALD (Pictou): No.

Mr. MANION: Yes, I think we had to put on closure a number of times. The Minister of Soldiers' Civil Re-establishment states that he has been very generous in his treatment of hon. members. Let me deal with his generosity. We dealt with this resolution the first time it came up for two

hours in the afternoon, then we dealt with it for an hour and a half in the evening, and we have discussed it for about five hours to-day, and this is a resolution dealing with a trust fund of a million dollars. I do not think that is a long time to spend upon such a matter. In fact it is a short time considering the importance of the resolution, and if we are to deal with the question properly we should have plenty of time to discuss it. I appeal to the minister to postpone the discussion.

Mr. BELAND: My hon. friend goes back on his agreement that he would dispose of this resolution at the next sitting or that we should occupy only one more sitting with it. If my hon. friend is not disposed to have this resolution decided by to-morrow night at six o'clock—and that would mean three hours' debate to-morrow—we might go on this evening—

Mr. MANION: I was only saying this because I was not certain. Some of my friends suggest it might be finished by six o'clock. I am willing to agree with the proposition. I will go half-way with the minister ,and agree that it be finished by six o'clock.

Progress reported.

SUPPLY

DEPARTMENT OF MINES

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

Mines:

Salaries..	$529,670
Contingencies..	6,700

Hon. CHARLES STEWART (Argenteuil) (Minister of Mines): I may say, for the information of the committee that there is no change in the number of the staff. There is exactly the same staff as last year but we have a slight reduction which comes about by reason of readjustments in the staff, the young men being moved up. We have exactly the same number.

Mr. MEIGHEN: The reduction would be only a small fraction of the extra amount paid out no doubt for the superannuations.

Mr. STEWART (Argenteuil): I cannot give my hon. friend information as to that. I will do so later.

Mr. MEIGHEN: The amount would be very large, I think.

Mr. STEWART (Argenteuil): Not in that branch because we have had very few superannuations.

Mr. MEIGHEN: I am not very sure.

[Mr. Manion.]

Mr. STEWART (Argenteuil): There were very few. There was a considerable number in the Interior department.

Mr. MEIGHEN: Perhaps we can agree on what information we ought to have. The minister would have to get the number of employees who are now retired under the Calder Act and walking the streets of Ottawa.

Mr. STEWART (Argenteuil): If my hon. friend wants the retirements I will have to get them.

Mr. MEIGHEN: How is it the deputy minister does not come in for increase, with all the other deputies?

Mr. STEWART (Argenteuil): It is the intention to provide for an increase for the deputy. There has been an oversight or an error in the printing. It will be rectified when the supplementaries come in. I am going to ask for an addition of $2,000 to Mr. Camsell's salary. It was intended to place it in the original estimates, but through a printer's error the mistake occurred, and I wish to inform the committee that that will appear in the supplementary estimates.

Mr. MEIGHEN: That error wipes out about sixty per cent of the savings.

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: The savings are $3,600 and that increase wipes out $2,000 of the amount. I am not complaining in the case of Mr. Camsell. Is there any other salary raised?

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: I still adhere to my statement that there have been utterly indefensible increases to all the deputies in the last few years, but certainly there should be no discrimination against any of them. We cannot carry this item because we cannot get all the information to-night. I do not know why the minister wishes to go into Mines at this late hour of the night.

Mr. STEWART (Argenteuil): I will be very frank with my hon. friend. I am not in a position to bring every one of these items before the committee to-night. I simply want to get the Mines estimates before the committee, and I have no desire to go into a discussion of them. This item is the same as last year, and I did not conceive there would be any discussion about it.

Mr. MEIGHEN: What are the contingencies used for?

Mr. STEWART (Argenteuil): I do not know that I have the itemized statement, but this money is used for travelling expenses of officers of the department, stationery and other items that one cannot very well define.

Mr. MEIGHEN: There has been a substantial increase in the expenditures of this department of late years. I notice in 1920-21, the vote was $446,000; in 1921-22, $477,000, and it has now got up to $529,000. What extra work is being done?

Mr. STEWART (Argenteuil): We have not increased the field work very materially although it has been extended in some directions. My right hon. friend will recollect that this department was cut pretty fine—at least I found it in that condition—and some very important work has to be performed by the department. I should like to have a good deal more money to carry on this work. The geological survey work is very important in view of the fact that the mining industry of Canada is expanding all the time. Our fuel work has brought very good results. We have spent some $50,000 additional on research work of that character over and above what we were expending in former years, but I think we can show results for that inasmuch as in regard to the production of coke, in a bill which I will introduce later, we shall be able to show that we can cut the cost of domestic fuel in Canada very considerably through the research work that has been carried on. We have built this year an addition to the laboratory in which various testing processes are going on in connection with minerals and fuel.

Mr. MEIGHEN: That is in Ottawa?

Mr. STEWART (Argenteuil): Yes, at the central plant. We have not made extensions anywhere else. That accounts for the expansion of the department to that extent.

Mr. MEIGHEN: Is this a process that has been discovered of producing coke?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: From Canadian coal?

Mr. STEWART (Argenteuil): Yes, or from American coal. It is the transformation of bituminous coal into coke for domestic purposes.

Mr. MEIGHEN: What is the principle of the transformation?

Mr. STEWART (Argenteuil): Through the Semet-Solvay by-product ovens. After the experiments were carried on in the laboratory here, a plant was constructed at Hamilton and there is now one at Winnipeg manufacturing this fuel.

Mr. MANION: Is that the Solvay coke that is being put on the market at the present time?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: Those plants are government plants?

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: They are using the government discovery?

Mr. STEWART (Argenteuil): Not altogether, because the ovens were patented in the United States. We have carried on many experiments and spent some money in ascertaining where these coking plants could be established satisfactorily and what sized population would consume the by-products from one of those plants. That is very essential in the transformation process, because gas is one of the largest ingredients taken from the coal and it must be consumed on the spot. It cannot be transported.

Mr. MEIGHEN: Is the nature of the investigation to ascertain what population is required in proportion to the production of coke to use the by-products, or is the process itself a discovery of departmental officials?

Mr. STEWART (Argenteuil): It is not a discovery of departmental officials, but a good deal of research work has been carried on here in connection with the work. The Department of Mines of Canada and the Department of Mines of the United States are working very closely together in regard to all processes in which both are interested. To say that Canadian research work discovered this process would be entirely misleading. It is true that we have carried on a good deal of investigational work in connection with peat. My right hon. friend knows when that was started. That is completed and other experiments in research work are being carried on in connection with fuel development generally.

Mr. MEIGHEN: Is anybody producing peat now?

Mr. STEWART (Argenteuil): Not at the moment although we expect the manufacture to go on at Alfred.

Mr. SUTHERLAND: Has the plant referred to by the minister at Hamilton not been in existence for six or seven years?

Mr. STEWART (Argenteuil): No.

Mr. SUTHERLAND: Five years?

Mr. STEWART (Argenteuil): I think they began operations last March, if my memory serves me right.

Mr. SUTHERLAND: They were manufacturing coke in Hamilton at least five years ago.

Mr. STEWART (Argenteuil): That is metallurgical coke. The plant I speak of is an entirely new plant which began operations last March.

Mr. SUTHERLAND: I notice there has been an increase of 37 in the number of employees of this branch since 1921. A considerable amount of the increase under this vote would be for the increased number of employees.

Mr. STEWART (Argenteuil): That is quite true.

Mr. SUTHERLAND: And a considerable number at that time were employed in experiments that were being conducted with regard to the manufacture of peat. That has been discontinued.

Mr. STEWART (Argenteuil): I do not know that that is quite correct. We have been voting year by year certain sums of money for experimental purposes, and outside men have been employed from time to time on that work.

Mr. MEIGHEN: There is nobody at the peat investigation now?

Mr. STEWART (Argenteuil): Not for a year.

Mr. MEIGHEN: That is completed as far as the department is concerned. The government does not purpose re-establishing its experiments at Alfred?

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: Does the government expect private parties to come there and continue production with the machines it has provided?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: When?

Mr. STEWART (Argenteuil): The governments of Ontario and the Dominion entered into an arrangement with a company to take over the machinery and begin operations, but they have not succeeded in getting under way. Operations are expected to commence on the first of May I understand.

[Mr. C. A. Stewart.]

Mr. MEIGHEN: What is the nature of the arrangement?

Mr. STEWART (Argenteuil): They were to take over the plant and put in sufficient capital to equip it properly. I think they will operate it by electricity rather than steam, securing power from some nearby development. They are to operate for a period of years, and if they carry out their arrangement the plant is to be turned over to them.

Mr. MEIGHEN: What about the real estate?

Mr. STEWART (Argenteuil): We never owned the land, it was rented.

Mr. MEIGHEN: Has the coal investigation in Saskatchewan ceased?

Mr. STEWART (Argenteuil): Yes, so far as we are concerned that is to say, we are voting no more money for it. At the moment the property is under proposed lease to Mr. Hugh Sutherland.

Mr. MEIGHEN: The old man?

Mr. STEWART (Argenteuil): I do not know the gentleman, but he has the coal mines there in the vicinity. We succeeded in getting coal carbonized for briquetting purposes, but the difficulty was that in the early stages the test that had seemed to prove successful here in a small way did not work out commercially. This board that had the matter under control experienced a great deal of difficulty and spent considerable money. Later on there was tried a carbonization plant invented by the Hood-Odell people, associated with the United States Bureau of Mines, who were successful in experiments with low grade fuel in the Dakotas. We sent some of our raw material to be tested and we sent along our own men. The work was satisfactory, and we established a plant and made a thorough test ourselves. We found that with some improvements put in by our own men char could be successfully turned out and we briquetted that char. Some of the briquettes were distributed throughout the city here to those who were interested, and we concluded that the test had been successful and that the process could be used in a commercial way. As my hon. friend knows, the provincial governments of Manitoba and Saskatchewan as well as the federal government were interested in the plant at Bienfait. Mr. Sutherland pro-

posed to lease that property but I believe that at the moment he is not satisfied with the process we developed; he wants to test a German process which he has always had in mind and which he endeavoured to get the board to adopt. He has sent a quantity of the coal over to Germany to be tested and we are watching the experiment with interest. The plant will continue to operate with our process but if Mr. Sutherland thinks that the other method is preferable he will adopt it.

Mr. MEIGHEN: Is he the possessor of the government plant now?

Mr. STEWART (Argenteuil): He has control of it at the moment, yes.

Mr. JOHNSTON: Did the department carry its investigation far enough to satisfy itself that peat can be manufactured at a marketable price?

Mr. STEWART (Argenteuil): Yes, within a reasonable shipping distance.

Mr. JOHNSTON: To compete with coal?

Mr. STEWART (Argenteuil): Yes.

Mr. SUTHERLAND: In view of the discontinuance of its own experiments, is the government rendering any assistance to those who are still making tests? I have in mind a man in western Ontario who has been engaged in this work for at least fifteen years and at various times he has put a considerable quantity of the product on the market, having spent a lot of money in connection with the manufacturing of peat. This plant is located in the county of Middlesex near London. I wonder whether the government renders any assistance in a case of that kind where private individuals are conducting experiments on their own behalf. The briquettes placed on the market from this source have given very general satisfaction, but it seems a considerable undertaking for a private individual, as in this case, to carry on experiments of that kind over a number of years without receiving some assistance.

Mr. STEWART (Argenteuil): We are always ready to lend any assistance we can. There is an engineer in the city who thinks we are on the wrong track with our process, which is one of sun-drying; he thinks it is possible to squeeze the moisture out of peat by pressure. So far as we are able to discover, in Germany, in Great Britain and elsewhere, that process has never been successful although it would be very desirable if it were practicable. However, we have given him material to go on with in his experiments to see whether he can demonstrate the possibility of separating by pressure the fuel from the water content. I cannot say what success he has had. As to the remarks of my hon. friend (Mr. Sutherland), I have never heard of the gentleman to whom he has referred; at any rate, he has not applied to the department, so far as we know. Ontario is of course one of the acute fuel areas in Canada and there is an immense amount of peat in the province; so that if this peat can be manufactured by a perfected process we are certainly very much interested in the possibility.

Mr. JOHNSTON: Has not the pressure process been attempted in this country? I remember twenty-five years ago inspecting a plant in Toronto where they were attempting to eliminate the moisture by pressure. They spent many thousands of dollars without any result.

Mr. SUTHERLAND: It was a pressure process that was applied in the plant I have referred to. Of course, the peat is dried as much as possible before it is subjected to treatment and I know that the operator had great confidence in being eventually successful. During the past two years I have heard nothing further than that he was carrying on. I visited the plant at one time and was much interested in it; I was particularly impressed with the owner's confidence in his ability to make a success of it. I must say I was somewhat disappointed to learn that the government had almost given up hopes of being successful with the experiments carried on in the vicinity of Ottawa. The fuel question is of great importance to this country and every encouragement should be given in a case such as that to which I have referred, if any encouragement can be given by the government, for it would mean a great deal to the people of that locality.

Mr. STEWART (Argenteuil): Is it partly a pressure process?

Mr. SUTHERLAND: Yes, very largely, and the plant is considerable. The owner is Dr. Williams of London. He at one time resided in a place close by and acquired the property, and he has since spent a large amount of money developing the plant in the township of Dorchester.

Mr. MEIGHEN: Apparently the briquetting money spent did not result in very much.

Mr. STEWART (Argenteuil): At Bienfait?

Mr. MEIGHEN: Yes. As I understand, the process which the government developed did not prove practical when applied to large quantities of peat.

Mr. STEWART (Argenteuil): Oh, yes it is quite practical. There is the question perhaps of expense, but there is no question about the practicability of the process.

Mr. MEIGHEN: It was not commercially practicable. The process finally adopted was that in use in the States. This is not very encouraging for our research work, and it looks as if we would get along better if we just watched what other people were doing. Now the whole thing is taken over by Mr. Hugh Sutherland. If he is the man I take him to be, he is approximately 80 or 82 years of age.

Mr. STEWART (Argenteuil): He is the head of the company.

Mr MEIGHEN: I wish him success. I find in all these departments a list of officials that really makes one quail to read, but the Department of Mines has all the belts and records for strange names. I do not suppose any of us know anything about them, and I should like to have some of the officials produced to see what they look like. For instance, here is an archaeologist, followed by a zoologist (mammalia), an ornithologist, a chief botanist, several ethnologists, an associate invertebrate palæontologist. Then there is a head translator. One is at a loss to know what he can be translating.

Mr. STEWART (Argenteuil): He is translating for our French editions.

Mr. MEIGHEN: I do not know what he needs to be translating into French or English either in the Mines department. Then we have a peat specialist still, although the peat work is done; next we have a chief taxidermist and herpetologist, a cartographer, an artist in vertebrate palæontology and two assistant artists, an assistant ethnologist, two collector preparator specialists, an assistant invertebrate palæontologist, three senior collector preparators, and so on. Who is the real author of these names? I have not mentioned the herbarium assistant. Several officials have left the department I know, but it does really look as though there were a lot of men engaged in doing something which does not seem to me to be connected with mineralogy.

Mr. STEWART (Argenteuil): Quite true; all those strange names come from the museum.

Mr. MEIGHEN: That is where they ought to be.

Item agreed to.

On motion of Mr. Mackenzie King the House adjourned at 11.45 p.m.

Wednesday, March 25, 1925

The House met at three o'clock.

REPORT

Report of the commissioner appointed by the Governor General in Council to investigate under the Combines Investigation Act, 1923 an alleged combine among coal dealers of Winnipeg and other places in western Canada. —Hon. Mr. Murdock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMPORTS OF GLASS

*Mr. DESLAURIERS:

1. Has the government any knowledge that the Dominion Glass Company imports from the United States goods under item "unfinished article" when these are finished articles, and, that labels made in the United States are removed from the goods and those made in Canada substituted in its factory at Toronto, and that it distributes to the public said goods as thus received?

2. If so, is the government in a position to prevent this state of affairs which is contrary to the best interests of the Canadian workmen?

Hon. Mr. COPP: The government have not the information to answer No. 1, and the answer will therefore be, No.

CANADIAN NATIONAL RAILWAYS—TONNAGE

Sir HENRY DRAYTON:

1. What are the monthly percentages of tonnage originating in the different provinces on the Canadian National Railways and affiliated companies to the total traffic of the year for each of the years 1923 and 1924?

Hon. Mr. LOW:

CANADIAN NATIONAL RAILWAYS

Per cent of total revenue traffic for year originated in each province each month

Province	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1923												
Prince Edward Island	.01	.01	.01	.03	.04	.03	.02	.02	.02	.03	.06	.03
Nova Scotia	.39	.44	.54	.50	.58	.50	.36	.42	.41	.44	.45	.30
New Brunswick	.33	.34	.34	.55	.21	.43	.36	.36	.34	.36	.32	.28
Quebec	1.10	.93	1.12	1.43	1.07	1.82	2.08	1.66	1.80	1.59	1.45	1.16
Ontario	2.74	2.42	2.77	2.92	2.95	3.81	3.87	4.01	3.99	4.50	3.83	2.99
Manitoba	.49	.36	.58	.49	.32	.53	.45	.47	.85	.85	.64	.46
Saskatchewan	.76	.45	.83	.88	.92	.57	.43	.28	1.07	2.86	2.52	2.23
Alberta	.91	.90	.60	.47	.38	.37	.34	.48	.60	1.49	1.80	1.66
British Columbia	.11	.09	.12	.11	.14	.16	.18	.14	.17	.18	.15	.12
1924												
Prince Edward Island	.02	.02	.03	.02	.03	.03	.02	.02	.02	.05	.08	.03
Nova Scotia	.32	.26	.45	.45	.45	.39	.41	.39	.40	.43	.39	.36
New Brunswick	.31	.42	.52	.46	.37	.31	.33	.31	.30	.35	.33	.29
Quebec	1.08	1.20	1.65	1.50	1.65	1.73	1.71	1.57	1.68	1.72	1.33	1.21
Ontario	2.75	2.96	3.45	2.67	3.14	2.99	2.91	3.09	3.83	4.77	3.67	2.96
Manitoba	.37	.47	.53	.39	.46	.52	.41	.37	.69	1.16	.91	.46
Saskatchewan	1.00	.74	.67	.71	1.14	1.62	1.10	.30	.36	1.79	1.72	1.12
Alberta	1.76	1.17	.96	.82	.87	.74	.77	.41	.68	1.19	1.74	1.59
British Columbia	.10	.10	.13	.14	.16	.13	.13	.14	.16	.20	.16	.14

REPORTS FROM DR. BIRCHARD

Mr. GOULD:

Referring to question No. 21 on the order paper of the 27th day of February, 1925, partly answered as follows by Minister of Trade and Commerce, "One report of a special nature had been received in 1924, and has not been printed".

1. Why was the special report submitted in 1924, not printed?

2. Are there any other reports from Dr. Birchard available?

3. If so, how many, and on what dates? If not, why?

4. Did the department ask for any report from the grain testing laboratory at Winnipeg or from Dr. Birchard during the years 1921, 1922, 1923 and 1924?

Hon. Mr. LOW:

1. As stated in part 6 of the answer to question No. 21 on the order paper of February 27, 1925, referred to above, the report referred to has not yet been printed, as it was referred to Dr. H. M. Tory, Chairman of the Honorary Advisory Council for Scientific and Industrial Research for consideration as to the value and practicability of the work covered therein. Dr. Tory was in the west at the time and stated he desired to discuss the matter further with the minister when he (Dr. Tory) was next in Ottawa. There the matter rests at the moment.

2. The only reports of Dr. Birchard published were: Report on trial shipments of bulk wheat from Vancouver via the Panama canal to the United Kingdom (1918); and a progress report dated December 31, 1919, covering the work of the Dominion Grain Research Laboratory since its inception in 1918. These were widely distributed at the time, and while there are no copies now available of the first mentioned, there are a few of the second.

As to the availability of other reports, there are on file numerous progress reports furnished the Board of Grain Commissioners by Dr. Birchard, many of which consist of one or more typewritten pages reciting the work done during the current month, and stating that certain experiments were under way or being continued, but at the time no conclusions could be drawn. Many other lengthy analytical and statistical reports were also sent to the board. There are also reports on file regarding tests made on specific samples furnished Dr. Birchard by the Chief Grain Inspector.

3. Answered by No. 2.

4. Dr. Birchard had standing instructions with regard to reports. In April 1914, he was informed by direction of the minister to make a monthly progress report, but no direct requests for reports in the years mentioned were sent to Dr. Birchard from the department, as by the terms of Dr. Birchard's instructions from Sir George Foster, Minister of Trade and Commerce, under date of February 8, 1916, Dr. Birchard was placed under the direction of the Board of Grain Commissioners, with whom he was "to co-operate and report results." Dr. Birchard was further informed that his instructions as to the line of work he was to carry out "would come from the Board of Grain Commissioners."

In 1921, however, the department wrote to Dr. Birchard asking him to revise the proofs of his booklet No. 2, the publication of which had been approved of by the Board of Grain

Commissioners in July 1920. Two thousand copies of this had been ordered printed in August 1920. It was impossible, however, to get the revised proofs back from Dr. Birchard; hence in November 1921, the department was obliged to instruct the Printing Bureau to cancel the requisition and disperse the type.

REPAIRS TO C.G.S. LAURENTIAN

Hon. Mr. BAXTER:

1. Were tenders called for repairs to C.G.S. Laurentian about the month of August, 1924, and, if so, when did such tenders close?
2. What tenders were received, what were the amounts of such tenders and who was the successful tenderer?
3. Within what time was the work required to be completed?
4. When was the work actually completed?

Hon. Mr. CARDIN:

1. Yes, in local St. John newspapers. Closed September 13, 1924 at 12 o'clock noon.

2. Tenders received and amounts of such tenders as follows:—

Woodwork and Caulking.—Chapman & Moore, St. John, N.B., $1,000; Herbert E. Stackhouse, St. John, N.B. $375; Union Foundry and Machine Works, Ltd., St. John, N.B. $350.

Canvas work.—Howard E. Holder, St. John, N.B., $350; George E. Holder, St. John, N.B., $287.

Upholstering work.—Emery's Ltd., St. John, N.B., $74.50.

Iron work.—Wm. Lewis & Son, St. John, N.B., $1,280; Union Foundry and Machine Works, Ltd., St. John, N.B., $1,500; St. John Iron Works, St. John, N.B., $1,800.

Painting.—John E. Courtney, St. John, N.B., $185; John Johnston & Son, St. John, N.B., $225; James Huey, St. John, N.B., $268; Red Cross Memorial Workshop, St. John, N.B., $325.

Machinery repairs.—St. John Iron Works, Ltd., St. John, N.B., $440.

Boiler.—St. John Iron Works, Ltd., St. John, N.B., $179.

Painting, Boiler, Ironwork, Machinery and Woodwork repairs.—St. John Dry Dock and Shipbuilding Co., Ltd., St. John, N.B., $4,600.

The successful tenderers were as follows:—

Machinery repairs.—St. John Iron Works, $440.

Woodwork and Caulking.—Union Foundry and Machine Works, Ltd., $350.

Canvas work.—George E. Holder, $287.

Upholstering work.—Emery's Ltd., $74.50.

Painting.—John E. Courtney, $185.

Boiler repairs.—St. John Iron Works, $179.

[Mr. Low.]

Iron work.—Wm. Lewis & Son's tender,—$1,280 was accepted but they later advised they could not complete work in time specified by the next lowest tenderer the Union Foundry & Machine Works, namely—15 days, therefore the latter tender was accepted their tender price being $1,500. Work completed in 10 days.

3. In calling for tenders there was no specified time required for work to be completed; tenderers were asked to state the number of days they would require to complete the work and the firm agreeing to perform the specific work tendered on in the shortest period was given preference, but not until the lower tenderer was offered the contract to be completed by the time specified by his competitor. The various contracts were to be completed within periods ranging from six to fifteen days depending on the extent of the work undertaken.

4. All contracts completed by November 1, 1924.

BRITISH EMPIRE STEAMSHIP CORPORATION—EMPLOYMENT OF CHINAMEN

Mr. NEILL:

Regarding the 105 Chinamen allowed into Nova Scotia to work on the steamers of the British Empire Steamship Corporation, and for whom a bond of $105,000 was put up by the said corporation, guaranteeing that the Chinamen would ultimately be checked out of Canada, as stated in this House on April 28, 1924.

Have any of these men been checked out, or are they all still employed by the said corporation?

Hon. Mr. ROBB: Ninety-five Chinese, only, have been employed as members of the crews of vessels operated by the British Empire Steel Corporation, Limited, since the deposit of the bond in the sum of $105,000. Of this number, 73 have been passed out of Canada, 5 deserted at Canadian ports, for which the British Empire Steel Corporation, Limited, have been penalized in the sum of $5,000; and 17 remain as members of the crew of the SS. Rosecastle.

VANCOUVER HARBOUR COMMISSION

Mr. BLACK (Yukon):

1. Do the members of the Vancouver Harbour Commission have to devote their entire time to duties of the harbour board?
2. Can the Harbour Comissioners have any interest, directly or indirectly, in any firm or corporation dealing with said harbour board?

Hon. Mr. CARDIN:

1. No.

2. By-law No. 8 of the Vancouver Harbour Commissioners, reads as follows:—

The corporation shall have no dealings of any kind with any of its members; nor shall any member thereof, or any officer or any person employed by, or in the service of the commissioners, be concerned, directly or indirectly, in any contract that may hereafter be entered into appertaining to any work carried on by the commissioners; but all transactions shall be conducted by and through the secretary or other officer specially authorized, subject to the approval of the commissioners.

KEMPT HEAD WHARF

Mr. HANSON:

1. What work was done on the Kempt Head wharf, Victoria county, Nova Scotia, during the calendar year 1924?
2. Was the work done by contract or day labour?
3. If by contract, who was the contractor, what was the contract price, and were tenders called for?
4. If more than one tender was received, what were the names of each tenderer and the amount of each tender?
5. If the work was done by day labour, how many persons were employed, what were their names, what was the rate of wages paid, the number of days each person worked and the number of horses employed?
6. If the work was done by day labour, what amount was paid for the different classes of material, to whom and at what rate?

Hon. Mr. KING (Kootenay):

For calendar year 1924

1. The outer face of wharf reinforced with native close piling driven along the face and fastened to the cribwork.
2. Day labour.
3. Answered by No. 2.
4. Answered by No. 2.
5. (a) 8 persons employed;

(b) J. W. McKenzie, Foreman, 28 days at $3.50 per day, $98.00; J. C. Smith, Labourer, 13 days at $2.50 per day, $32.50; James Fraser, Carpenter, 18 days at $3.00 per day, $54.00; Rod. McKenzie, Labourer, 1 day at $2.50 per day, $2.50; J. P. Morrison, Labourer, 4 days at $2.50 per day, $10.00; W. K. Morrison, Labourer, 6 days at $2.50 per day, $15.00; D. M. McKay, Labourer, 5 days at $2.50 per day, $12.50; Thos. McQueen, Labourer, 3 days at $2.50 per day, $7.50;

(c) Eight horses.

6. D. W. McKay, 243 lineal feet piles 27 x 7 at 10 cents lineal feet, $24.30; John C. Smith, 324 lineal feet piles 27 x 7 at 10 cents lineal feet, $32.40; Wm. Morrison, 324 lineal feet piles 27 x 7 at 10 cents lineal feet, $32.40; J. P. Morrison, 324 lineal feet piles 27 x 7 at 10 cents lineal feet, $32.40; A. K. McKenzie, 500 feet board measure lumber at $26.00 per miles deliverd, $13.00; Rod. McKenzie, 405 lineal feet piles 27 x 7 at 10 cents lineal feet, $40.50;

R. Musgrave & Sons:—

250-⅞ bolts 24″, 1,000 at $5.75 cwt.	$57 50
1 hook for pile driver	3 00
27 lbs. of 3″ rope at 25c. per lb...	6 75
4 lbs. of 1½″ rope at 25 c. per lb...	1 00
1 keg spikes at 6c. per lb...	6 00
1-3/16 auger	1 25
1 auger crank	1 25
2 gallons of paint at $5.50	11 00
1 brush	1 15
1 gallon oil	1 70
Glasses, 2	50
Prepaid freight	46
	$91 56

INCOME TAX FORMS IN FRENCH

Mr. DOUCET:

1. Why does the government refuse to give out forms in French to persons who ask for them at the income tax offices, in Montreal?
2. Is it the intention of the government to take legal action against these persons who do not fill in the English forms because forms in the French language have been denied them?

Hon. Mr. BUREAU:

1. Owing to necessary changes in forms distribution has been delayed but they will be supplied in both languages as formerly at the earliest possible date.

2. New forms will be ready for distribution in ample time to enable tax payers to comply with requirements of the act.

FISHING LICENSES TO FOREIGNERS

Mr McQUARRIE:

1. Has the Japanese government made any representations to the Canadian government in reference to the limitation of fishing licenses to other than white British subjects and Indians?
2. If so, what are the particulars of such representations?
3. What reply, if any, has the Canadian government sent to the Japanese government in connection with the matter referred to in the preceding question?
4. Is it true that the Japanese government has refused to make any modification in the agreement subsisting between Canada and Japan, as to the number of Japanese subjects to be allowed entry to Canada yearly?
5. Has the Japanese government made any proposal to the Canadian government in reference to the matters referred to in the preceding question?
6. If so, what are the particulars thereof?

Mr. CARDIN:

1. No.
2 and 3. Answered by No. 1.

CENTRAL EXPERIMENTAL FARM GREENHOUSE

Mr. SENN:

1. What was the total cost of the new greenhouse erected at the Central Experimental Farm in 1924?

2. What was the amount of the plumbing contract?
3. Did the plumbing prove satisfactory after the architect had accepted it?
4. If not, what was the cost of the necessary changes?

Hon. Mr. KING (Kootenay):

1. $18,032.39.

2, 3, and 4. There was no plumbing contract. Drains were put in by departmental staff at a cost of $152.95 and are in every way satisfactory. In the installation for heating the material was purchased and installation done by departmental staff at a cost of $4,-101.68. When cold weather set in the boiler proved too small as rating was too low for greenhouse work. Vendor took back old boiler at full cost and provided new one at an additional cost of $295; cost of labour installing $187.50.

MARGAREE FISH ASSOCIATION

Mr. HANSON:

1. Has the Department of Fisheries any information as to litigation brought in the courts of Nova Scotia by Mr. John C. LeBlanc and others of East Margaree, Nova Scotia, against the Margaree Fish Association in either the years 1922, 1923 or 1924?
2. If so, what was the nature of such litigation?
3. Was the government or any department thereof a party to such litigation?
4. Did the government or any department thereof, pay any portion of the costs, damages and/or expenses of such litigation?
5. If so, what amount or amounts, and why did the government or a department thereof pay any of said amounts?

Hon. Mr. CARDIN:

1. In 1923 John C. LeBlanc and others of East Margaree, N.S., brought an action in the Supreme court of the Judicature for the province of Nova Scotia as plantiffs against Severin J. Arseneau of Belle Cote, Inverness county, N.S., President of the Margaree River Salmon Fisheries Association, so-called, for the sum of $592.40 on the ground that they were, during the year 1922, members of the Margaree Fisheries Association and were entitled to equal shares with other members of the Association of the sum of $2,250 that it received for salmon supplied.

2. Answered by No. 1.

3. No.

4. No.

5. Answered by No. 4.

MR. ALBERT E. ROBICHAUD

Mr. DOUCET:

1. When was Albert E. Robichaud dismissed as postmaster of Lamèque, Gloucester county, New Brunswick?
2. What were the reasons for such dismissal?
3. Was it for political partisanship? If so, was an investigation held?
4. Who made the complaint to the government?
5. Who held the inquiry?
6. Were the charges proven?

Hon. Mr. MURPHY:

1. January 23, 1924.
2. Active political partisanship.
3. Yes.
4. J. G. Robichaud, M.P.
5. C. T. Richard, barrister, Bathurst, N. B.
6. Yes.

DUTIES ON FLOUR MILL MACHINERY

Mr. DOUCET:

1. Has the Department of Customs and Excise remitted, at any time, any customs duties on flour mill machinery imported from the United States?
2. What is the policy of the department in that respect?

Hon. Mr. CARDIN:

1. There is no record in the department of any remission of customs duties on flour mill machinery imported from the United States.

2. Not a matter of policy as respects the department which is required to administer the tariff as enacted by parliament.

REPAIRS TO WHARF AT MATANE

Mr. JONES:

1. Who was inspector of the repairs to public wharf at Matane, Quebec?
2. Did he have the necessary qualifications?
3. Who recommended his appointment?
4. Is he a son of the sitting member?
5. Is the government aware that serious damages have been done to that wharf?

Hon. Mr. KING (Kootenay):

1. Joseph R. Pelletier.

2. Yes.

3. Appointed by the Civil Service Commission.

4. No information.

5. Yes.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SOLDIER SETTLEMENT

Mr. GOULD:

1. What is the total amount of money disbursed on account of soldier settlement, (a) land settlement; (b) fishermen and others?
2. What was the total cost of soldier settlement each year, to date, including wages, travelling and all other expenses?
3. What has been the total amount each year paid to the board by the soldier settlers?
4. What is the amount of the total yearly payments due by the said settlers?
5. What is the total amount outstanding, including interest, in this connection?

GRAIN TRADE COMMISSIONS

Mr. GOULD:

1. What is the official individual name of each of the last fourteen commissions appointed to look into the grain trade?

2. In what years were the various commissions appointed?

3. What is the cost of each of the said commissions?

UNOPPOSED MOTIONS FOR PAPERS

IMPORTATIONS OF CANNING MACHINERY

Mr. GRIMMER:

For a return for the months of May and June, 1924, showing invoiced value of importations into Canada of canning machinery, suitable for use as equipment in fruit or berry canning factories, which were released by the Customs department without duty being actually paid thereon, together with copies of all correspondence and documents received by the Department of Customs or any member of the government relating to such importations, together with a statement for the first six months of 1924, showing importations into Canada of canning machinery suitable for equipment in fruit or berry canning factories on which duty was paid, showing the amount of duty paid thereon and the invoiced value of such importations.

REPORTS OF WORK ON ELEVATORS AT VANCOUVER, B.C.

Hon. Mr. STEVENS:

For a copy of each and every report made by Inspectors of work at Vancouver, British Columbia, representing the Dominion government, or the Vancouver Harbour Commission, on (a) No. 1 elevator extension; (b) No. 1 elevator jetty and superstructure; (c) No. 2 elevator; (d) No. 3 elevator extension and jetty.

OCEAN SHIPPING RATES

APPOINTMENT OF SPECIAL COMMITTEE

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

That a special committee consisting of Messrs. Black (Halifax), Sir Henry Drayton, Duff, Sir Eugene Fiset, Halbert, Johnston, Kennedy (Glengarry), Leader, McKay, McMaster, McMurray, Rinfret, Sinclair (Queens), Stevens and Stork, be appointed to consider the resolution to give the government of Canada control over certain ocean rates by confirming an agreement between His Majesty and Sir William Petersen, K.C.B., as set out in said resolution, with power to call for persons, papers and records and report from time to time.

Mr. GOOD: No notice has been given of this resolution and I think notice is required. I shall have to ask that it stand.

Mr. MACLEAN (York) I had intended to speak to this motion and I have not my memoranda here. If I do not get an opportunity to speak on it now, I shall have to make a statement, perhaps, on the budget. I should like to have an opportunity of speaking on this question.

Mr. MACKENZIE KING: Let it stand as a notice of motion.

Mr. SPEAKER: Stands as a notice of motion under rule 40.

Mr. MACLEAN (York): Will the Prime Minister say when this will be taken up?

Mr. MACKENZIE KING: At the next sitting of the House.

PENSION ACT AMENDMENT

Hon. H. S. BELAND (Minister of Soldiers Civil Re-establishment) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend the Pension Act and the amending acts and to provide,—

(1) For pension to be awarded for total disability at the time of discharge to an ex-member of the forces suffering from venereal disease who saw service in a theatre of actual war;

(2) For extending the period during which the dependents of a man in receipt of a pension—classes 1 to 5—may be pensioned after his death;

(3) For a definite pension irreducible for two years in cases of pulmonary tuberculosis;

(4) For what the final payment shall be in cases of disability between five and fourteen per cent, and what conditions may affect such final payments;

(5) For amending section 27 of the act to make provision for payment not provided for in the existing statute;

(6) For conditions under which pension may be continued to dependent parents;

(7) For the awarding or refusal of a pension to a widow of a pensioner taking into consideration his condition at the time of marriage, and under what conditions pensions may be paid to prospective widowed mothers;

(8) For non-cancellation of pension for immoral conduct until after an opportunity for defence has been given, and for reinstatement of cancelled pensions in certain cases;

(9) For increased pensions to mothers whose husbands are physically helpless or in a dependent condition;

(10) For the amendment of the schedules to the act in such a manner as to make pension equal to the actual rate plus bonus, and to make an equitable division of children's pensions;

(11) For the reappointment of retiring members of the Federal appeal board and the continuation of three as a quorum.

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

Motion agreed to.

FRUIT ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend the Fruit Act, chapter 15 of the statutes of 1923, by providing,—

(a) For the abolition of combination grades of apples, crabapples and pears;

(b) That the minister, with the approval of the Governor in Council, may prescribe additional grades for individual kinds of fruit, and prescribe the kinds

of fruit to which such grades shall apply; and make such regulations as may be necessary to make effective the proposed provisions, from the date of their publication in the Canada Gazette;

(c) That every person who, by himself or through the agency of another person, packs fruit in closed or open packages intended for sale, or who offers for sale or sells fruit, and quotes or represents such fruit to be of any grade specified in section 3 of the act as amended or regulations made thereunder, shall cause to be shown on the package or on an approved label attached thereto, the grade and other marks required under the act, and in the event of such fruit not complying with the grade mark thus designated, such person shall be guilty of an offence under the provisions of the act.

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

Motion agreed to.

SOLDIER SETTLEMENT

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River). I am glad to notice that the government has brought down legislation in connection with pensions. When may the House expect legislation regarding the land settlement question—revaluation of soldiers' lands?

Hon. J. A. ROBB (Acting Minister of Finance): I shall look into the question of my hon. friend. As the Prime Minister announced yesterday, we shall be proceeding with the budget from day to day. We hope to have this legislation, if any, down in ample time for consideration of the House.

AUSTRALIAN TRADE TREATY

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Can the Acting Minister of Finance report any progress in the matter of his difficulty with Australia over the Australian treaty?

Hon. J. A. ROBB (Acting Minister of Finance): No. I have no progress to report.

INQUIRIES FOR RETURNS

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): I should like to ask the Secretary of State as to an order for a return that was passed three weeks ago regarding the different royal commissions that were appointed. Some time ago when I asked in regard to two commissions, I got a reply the next day. I hardly see the reason for holding this up. When will the return be laid on the table?

[Mr. Motherwell.]

Hon. A. B. COPP (Secretary of State): I explained a few days ago that another order, covering a larger number of years, was passed several days after the one moved by my hon. friend was passed, and the two returns are being made up at the same time. I hope to have it down in a few days. I will draw the attention of my officials to it and get them to hurry it.

CANADA GRAIN ACT

On the Orders of the Day:

Mr. ROBERT GARDINER (Medicine Hat): Are the amendments to the Canada Grain Act completed? If so, when may we expect them to come before the House?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The Minister of Trade and Commerce (Mr. Low), I think, would like to answer that question. Perhaps my hon. friend would allow it to stand until he is in his seat.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. H. E. SPENCER (Battle River): I should like to read a telegram, a copy of which I have in my hand, and ask the government a question thereon. The telegram reads:

Relief situation Glace Bay to-day as follows: 2,045 families, over 12,000 persons are being supplied with rations. This number increasing daily, estimated $11,000 required for this week. Of this amount only $1,760 on hand, cash for bare foodstuffs our most urgent requirements, outside our province of Nova Scotia aid only from Ottawa except few small individual contributions.

This telegram was sent to Mrs. Freiman, who is convener, I understand, of the relief committee, and it is signed by the Rev. M. A. McAdam, Rev. A. M. McLeod and Mrs. B. Siegel.

Considering the seriousness of the Nova Scotia situation as outlined in the telegram read, I would like to ask the government if they have decided to take any action.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The position of the government is as I have stated it right along. I hope that, as a result of the reading of the telegram which my hon. friend has just given to the House, other communities will do as well as Ottawa has done in this situation.

Mr. W. C. GOOD (Brant): I notice in this morning's paper a copy of an open letter to the Prime Minister from Canon Scott regarding the Nova Scotia situation. Has this been brought to the attention of the Prime Minister, and does he realize how

dangerous the situation is and how far it is possible to escape the conclusion that the Nova Scotia miners have come to regard the Nova Scotia government as being an agent in the hands of the British Empire Steel Corporation?

Mr. MACKENZIE KING: I saw in this morning's paper the article to which my hon. friend refers, but I had not received any letter from Canon Scott at the time that I read it. I, however, thought it was important and I prepared an immediate reply. Just as I was leaving my office at five minutes to three o'clock, I was handed a letter, which I have in my hand at the moment, mailed at Quebec last night at ten p.m. It has Canon Scott's name on the envelope and I see from the contents it is signed by Canon Scott. I have not yet had an opportunity of reading the letter, but I have no doubt it is the same as the communication I read in the press. I will read to the House the reply which I gave to Canon Scott. Perhaps I should read first Canon Scott's letter to me. His letter reads as follows:

St. Matthew's Church
Quebec, March 24.

"Dear Sir:

"In the name of our country I appeal to you as the head of the federal government of Canada to take immediate steps to save the lives and stop the acute suffering of our 60,000 fellow citizens in Cape Breton.

"If there is no law in the constitution of Canada which gives you the right to avert the hideous calamity now very imminent the supreme law of common humanity empowers you to intervene.

"The funds of the relief committee, we are told by responsible people, including that of the Roman Catholic Bishop of Antigonish and the Anglican Archbishop of Halifax, are almost exhausted, and when they are gone, absolute starvation and death must ensue.

"Ultimately the responsibility of the fate of our fellow Canadians rests not upon one province only, but on the whole Dominion. The ancestor whose name you so proudly bear, was once judged a rebel because he stood for the rights of the oppressed in defiance of the law. An oppressed people is crying for a deliverer to-day. Never in the whole course of our history has there been a more wonderful example of patient heroism than is being manifested by the thousands of men, women and little children in Cape Breton at the present time.

"If the agony of human beings does not move your government to immediate action, perhaps the reflection that failure to save the lives of Canadians now will not only shake your government, but, what is worse, it will shake the ordered constitution of our country.

"It is merely playing into the hands of that Bolshevism which we all dread, and which is threatening the governments of the world to-day. This should not be the motive to lead us to play fairly with our fellow Canadians, but it ought to have weight with those whose self-interests shut their ears to the cry of the suffering.

"Yours faithfully,
F. G. SCOTT."

To that communication I have sent the following reply:

Prime Minister's Office
Ottawa, March 25, 1925.

Reverend Canon F. G. Scott, M.A., D.C.L.,
St. Matthew's Church,
Quebec, P.Q.

Reverend Sir,—I have read in this morning's paper an open letter, addressed by you to myself, the original of which has not yet been received. The letter constitutes an appeal on behalf of citizens in Cape Breton in need of relief.

Where in any emergency an appeal has been made by the government of any province of our Dominion on behalf of any of its citizens, the administration of which I have the honour to be the head has never failed to give such appeal careful and immediate consideration and to respond in the manner and to the extent circumstances appeared to warrant. I believe the provincial governments of our country have been equally ready to respond to appeals from municipalities within their jurisdiction where they were of the opinion that circumstances demanded such action in the name of their provinces.

Were it to be recognized that the government of Canada, without request from the government of the province concerned, more especially when its legislature is in session, upon appeal from a citizen of another province, thereby becomes obligated to use federal moneys of which it is the trustee to meet a purely local situation, however serious, I greatly fear the effect would soon be, if I may be permitted to quote the words of your letter, to "shake the ordered constitution of our country."

I share all your admiration for the patience of the men, women and children who have been called upon to endure privation and suffering in the present situation. I believe I am not less anxious than yourself to see existing distress speedily alleviated. I am equally cognizant of the fact that, as you intimate, our government may suffer politically through a misunderstanding of the motives which govern its action, should it hesitate to respond to your appeal. This, however, is not a circumstance which to my mind should influence the government in taking what appears to be the right and proper course in this matter.

The fact that federal moneys might, with the consent of parliament, be used towards relieving existing distress, possibly to the advantage of the government itself, does not free either my colleagues or myself from our responsibility of recommending to parliament a course of action which once adopted would open the door to inroads upon the federal treasury from every quarter of the Dominion, and which in the end might only serve to aggravate the present situation in Cape Breton and lead to similar conditions asserting themselves with increasing frequency wherever and whenever industrial troubles arise.

To avoid the very Bolshevism of which your letter makes mention, I feel that regard must be had by the federal government to what would appear to be the constitutional course of procedure in all matters which may involve rights and responsibilities on the part of municipalities, the governments of the several provinces and the government of the Dominion.

Yours sincerely,
W. L. Mackenzie King.

Mr. WOODSWORTH: Does the Prime Minister contend that there is any constitutional reason that prevents him from offering any aid to the people of Nova Scotia at this time?

Mr. MACKENZIE KING: I do not know that this is the time to discuss that question. I think I have clearly stated the position of the government in the letter I have just read.

ACCESS OF MEMBERS TO CHAMBER

On the Orders of the Day:

Mr. A. W. NEILL (Comox-Alberni): I should like to call your attention, Mr. Speaker, to a rule that prevents access to this chamber by members of the House unless the House is actually sitting. Sightseers, tourists and strangers have access here at any time of the day when the House is not sitting, but if a member wishes to come into the chamber to get something from his desk, or if he wishes to bring some of his friends in to view the chamber, he may not do so.

Some hon. MEMBERS: Why?

Mr. NEILL: I do not think that is reasonable. I am at a loss to know what the idea is.

Mr. SPEAKER: This is not the time to bring up a question of this kind. I understand that there has been some trouble in connection with the main door in front, which is reserved for members of the House, for ministers of the crown, and for deputy ministers and secretaries. I have studied the rules of many of the parliaments in the empire and on the continent of Europe, and there is no legislative body in the world, so far as I know, in which access to the chamber is as easy as it is in the case of the Canadian parliament. I have visited the House of Commons in England myself, and before reaching the gallery I have been obliged to pass through several cordons of policemen and men-at-arms. And the same is true of the continent. The rule governing entry into this chamber has existed since the opening of this building to members of parliament and to the public generally. I may observe that there is a general entrance for the public in the centre, while there are other entrances for the employees of the House of Commons and of the Senate.

Mr. NEILL: You misunderstand me, Mr. Speaker; I was not referring to any time during the actual sitting of the House. What I complain of is that at other times, in the morning for example, members are unable to come into the chamber to have access to their desks.

Mr. SPEAKER: I know of no rule that prevents any hon. member from coming in by the side door.

[Mr. Woodsworth.]

Mr. NEILL: There is only a small door in the rear of your chair, sir, by which we may enter the chamber.

Some hon. MEMBERS: Order.

Mr. NEILL: Am I not in order, Mr. Speaker?

Mr. SPEAKER: The hon. member may conclude his remarks.

Mr. NEILL: What I am pointing out is that members cannot readily get access to their desks except when the House is sitting, and that is unreasonable. I wanted to come in this morning to get something out of my desk and the only means of access was a small door at the rear of your chair. That is not convenient either to members or to their friends, if they happen to have any with them; I do not see why it should be necessary to poke them through a back door.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I am informed that there is access to the House of Commons any day at any hour almost; the two side doors are open.

Mr. NEILL: I beg your pardon, Mr. Speaker, they are not open.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I pass through them myself every morning.

CANTEEN FUNDS

The House resumed, from March 24, consideration in committee of a proposed resolution with regard to the distribution of the canteen funds—Hon. Mr. Beland—Mr. Gordon in the chair.

Mr. CLARK: There are two paragraphs particularly in the resolution which I desire to touch upon. The first is paragraph (2) which provides that the $100,000 shall be paid to a central board of three trustees appointed by the Governor in Council, without remuneration, to be used in such amounts and such manner—

> As it may deem best for the maintenance and assistance of an adjustment service and bureau for the benefit of ex-service men and their dependents.

The CHAIRMAN: Order. May I ask hon. members to desist from conversation? I am not able to hear the hon. member for Burrard (Mr. Clark) although I am within fifteen feet of him.

Mr. CLARK: I can go a long way towards endorsing the principle embodied in that part

of the resolution. There are, however, some minor details to which I take exception, and I hope that the minister will amend the bill to conform with the suggestions I am going to make, which suggestions also conform in the main, I think, with the suggestions already made by various members from both sides of the House, indeed, by the minister himself. In the first place I notice the resolution does not provide that the three trustees shall be returned men. I understand the minister proposes that at least two shall be returned men. My suggestion is that all the trustees should come within this category. The only people interested in the fund are returned men, and therefore it should be handled exclusively by them, and there is no justification for the appointment of anyone other than a returned man as trustee.

Secondly, I suggest that if there is necessity for an adjustment bureau—and I am prepared to go so far as to admit that there is—then the money for its establishment should not be provided out of the canteen funds but out of public funds, and I quote the minister himself in support of my suggestion. Recently he laid on the table a return, No. 126, and on page 10, paragraph 13 of that return, Mr. Scammell, reporting to the minister on the question of the adjustment fund, said:

> On my discussing the matter with you, however, you agreed with me and with the opinion expressed by Sir Arthur Currie after his interview with Mr. Carruthers, referred to in his letter of May 7, to the Prime Minister, that while the continuance of the service given by the headquarters of the Great War Veterans' Association, or the Veterans' Alliance, Ottawa, pending the establishment of an adjustment bureau, might be a proper charge against the disablement fund, it would also be a proper charge against public funds, and that this should, therefore, be handled in the form of a loan, and that you would make provision to reimburse the fund from a parliamentary appropriation. I advanced this money on May 16, 1923. Vote No. 543 was increased by $5,000 in order to provide for reimbursement. I received a cheque for $5,000 on August 25, 1923.

Therefore, Mr. Chairman, the minister has already recognized that the adjustment bureau is a proper charge on public funds. In fact on one occasion he secured a vote from this House for $5,000 towards that very adjustment service that he now proposes to constitute to be financed by the canteen funds.

An hon. MEMBER: How much will it cost?

Mr. CLARK: It is very difficult to give an exact estimate. In order to ascertain how much such service would cost, and to what extent it is necessary, I submit that the bureau must be independent of all soldier organizations and of the government itself. The work of the bureau must be carried on at the discretion of the trustees, and I submit that the minister's suggestion to employ a representative of each of the soldier organizations in the service of the bureau is wrong in principle. By following this course we will get neither economy nor efficiency in the management of the $100,000. I suggest that an independent board of trustees will be best able to investigate and determine the exact number of employees required to provide this adjustment service. The board of trustees would employ men independent of the government and of the soldier organizations. That is why I suggested yesterday that in addition to Sir Arthur Currie a second member of the board of trustees should be selected by the major soldier organizations. For instance, there is in existence now, although it has been challenged by several members, an organization known as the Dominion Veterans' Alliance. Now, if there is a council representing the seven major soldier organizations, the council of the Dominion Veterans' Alliance, it can nominate a second trustee, and those two can choose a third. When the board is constituted it will be in a position to employ a secretary and such other staff as may be necessary to give the adjustment service required. All soldier organizations would be entitled to use that adjustment bureau. I repeat, I think the minister's suggestion that the staff of the bureau be composed of seven employees, one from each of the soldier organizations, is unsound. Furthermore, if such a suggestion be carried into effect, the trustees will have no discretion and no authority in the matter, because everything is provided for by the government before they take office.

Now, the necessity of such a board of trustees being independent both of the government and of the soldier organizations is well illustrated by the order in council which was under discussion some days ago, P.C. 1596. It refers to the disablement fund, and recites that:

> This fund is being used generally for the purpose of small loans to pensioners and others who are in need of immediate assistance and who, in the opinion of the departmental investigations, would benefit by such assistance. The Dominion Veterans' Alliance, which represents the various veterans' organizations throughout Canada, has for a considerable time past maintained a service bureau in Ottawa for the purpose of assisting former members of the forces in the presentation of claims in respect of pension, medical treatment and other matters.

It was intended to utilize the Dominion Veterans' Alliance as the adjustment bureau under the provisions of the bill passed last year, as recited in this order in council. I

presume that the minister has since abandoned any thought of so using the Dominion Veterans' Alliance. Certain complications have arisen since that order in council was passed, which, I presume, will prohibit the utilization of the Dominion Veterans' Alliance or the G.W.V.A. As the minister has stated, the various soldier organizations other than the Great War Veterans' Association have objected to the providing of this adjustment service by any one organization. I think that objection is well founded; and it bears out my argument that the board of trustees should be independent both of the government and of the soldier organizations so that service can be given to all and each organization dealt with fairly and on an equal basis.

I would just like to reiterate the objections I have offered, and to express the wish that some of these suggestions may be embodied in the bill: First, that the $100,000 be provided from the public funds; second, that the three trustees be all returned men; third, that they be appointed independently of the Governor in Council and in the manner suggested by the hon. member for Fort William and Rainy River and others.

Mr. BELAND: I do not quite remember the suggestion that was made with regard to the appointment. Will my hon. friend recite that?

Mr. CLARK: The suggestion was that Sir Arthur Currie be one trustee and that the second trustee be chosen by the major soldier organizations. I suggested the Dominion Veterans' Alliance, if it is still in existence. If the council of that organization can get together and be truly representative of the seven soldier organizations I would be satisfied that a second trustee be selected by them.

Mr. BELAND: Unanimously, or by a majority?

Mr. CLARK: The majority, I should think. I am quite sure the council would soon agree on a man. Then, the two thus appointed could choose a third, and failing agreement, the Governor in Council should be resorted to respecting the third appointee.

There is one other very vital paragraph in this resolution which has not been debated at all, and that is paragraph 5, which provides that the balance of the canteen fund, consisting of about $2,000,000, shall be divided among the various provinces. It says:

> The provincial allotments to be paid to a provincial board of trustees, appointed by the Lieutenant-Governor in Council in each province, without remuneration, empowered to receive and hold the provincial allotment and to ascertain the wishes of those interested and residing in the province concerning the disposition of such allotment and to determine the object to which the allotment should be devoted, and to administer the same for such object or to provide for such administration by others, and to do such other things as may be indicated in the order in council appointing them. The expenses in connection with the trust to be a charge on the allotment.

In the first place I object to these allotments going into the provinces without the purposes for which the moneys are to be used being specifically stated. The Ralston commission investigated this matter and they made certain general recommendations as to the purposes to which the money might well be devoted. This resolution does not suggest that any specific recommendations made by the Ralston commission, or any recommendations at all, for that matter should be adopted. It leaves it to a board of trustees, without remuneration, to ascertain the wishes of the returned men. But what chance would a board have in a large province of ascertaining the wishes of the returned men as a body, when seven years have elasped since the men were last interested in the fund? It would be utterly impossible for the board to find out the wishes of the men at this stage. We have, however, sufficient evidence before us to suggest certain specific purposes to which the board of trustees in the various provinces might devote these moneys, and I will enumerate some of them in a few minutes.

I offer the same objection to the appointment of the provincial boards of trustees by the Lieutenant-Governor in Council in each province that I urged to the appointment of the central board by the federal authorities. It is true that we cannot name one man who will be acceptable to all in each province, but we know that in each province there are soldier organizations, represented by provincial units, and these might get together and agree upon one trustee. There are also in each of these provinces—and this is something which I think has been overlooked—the actual units that formed the Canadian corps in France.

Mr. BELAND: Are they still maintained?

Mr. CLARK: Still maintained, yes. I doubt whether there is any unit of the Canadian corps which served in France that is not in existence to-day in the defence force of Canada. In most instances they are commanded by men who either commanded the units in the field or were high up in those units. In each of those units you will find a large sprinkling of officers, non-commissioned officers and men who actually served in those very units in the Canadian expeditionary force. In addition to that there is in each of these units a reserve battalion in which many men

who served in the corps are enlisted. They do not belong to the active militia, it is true, but they belong to the reserve and they are interested in this fund, although they may not be associated with the various returned soldier organizations. In addition, these units have their clubs and their regimental institutes. For instance, I could not give the exact number of members in my own unit, but I do know that on April 9 of each year between three and four hundred of these men turn out to a dinner. If that is true of all the units throughout the country you will readily see that a very large percentage of the men of the Canadian corps are still identified with the units of that corps.

Now what I suggest in the provincial administration of this fund is that the units which served in the Canadian corps might very well be given the privilege of appointing one of these trustees. There would be no difficulty about getting them to agree on a nominee because the units in British Columbia, for instance, and it is the same in Ontario, are brigaded, and the wishes of each unit could be ascertained by the brigade commander, and passed on to the district commander. The same could be done in Ontario, where I believe the minister provides for the appointment of five trustees. There are, I believe, three military districts in Ontario. I do not know whether it is necessary to limit the number of these trustees to three in each province, or to five in Ontario; it might be well to have more than three. However, I have no serious objection on that score. I appeal to the minister to consider this because I believe it will react for the benefit of all of us who are engaged in public life to-day. It will clear us completely. It works both ways, because there are in the various provinces administrations of both parties in this House, and if we adopt this suggestion it will clear our skirts absolutely of any suggestion that any political influence is being brought to bear in any of these appointments. I think the result would be for the greater good of the returned men as a whole.

I would also suggest that in the bill the minister cite the purposes to which the fund in the various provinces might be devoted.

Mr. BELAND: That was done to a limited extent in the bill of last year, in the last clause, which is reproduced in the bill that is going to follow this year. I do not know whether my hon. friend remembers that clause, but it reads as follows, and I think it carries out to a certain degree the ideas which he is now advancing. It says:

> Without limiting the powers conferred on the lieutenant governors in council the following general principles shall govern any distribution or apportionment of the amounts allotted to the said provincial boards of trustees:—

Then follow the recommendations:

> (a) Any plans formulated should be based on the assumption that there will be prospective beneficiaries for several years to come.

In other words, this recommendation precludes the immediate capital distribution of the fund amongst men. Then follows:

> (b) Any use of the fund for relief purposes should be limited to the class of case for which no relief is then available from governmental sources, and in particular to specially meritorious cases;
>
> (c) If the provision of scholarships in schools and universities is undertaken for specially promising children of ex-members of the forces or of members of the forces who have died, this should not necessarily be confined to the higher grades.

These are the only limitations. There are some limitations placed upon the lieutenant governors in council. I do not know to what extent these recommendations accord with what my hon. friend has in mind, but I just wanted to bring these facts to his attention.

Mr. CLARK: I have what I think is a very strong authority which I think backs up every proposal I have made; I refer to the manner in which the United Services fund in England has been dealt with. True the two countries differ very much in area, but it will be noted that I have supplemented the proposals as to the provinces; in England there are no provinces. I would just like to read a short memorandum which summarizes the manner in which their fund has been dealt with:

> The United Services fund in England was incorporated by Royal Charter. This fund is the accumulated profits from sales in the Expeditionary Forces canteens, plus a proportion of similar profits of the Navy and Army Canteen Board, to which the Army and Royal Air Force are considered to be entitled. Added to this is the balance of the Central Regimental Institutes fund, which in the past has been administered by the War Office, and the balance of regimental funds of demobilized units, the personnel of which decided to transfer such funds to the United Services fund. The total amounts received from the above mentioned sources up to September 30, 1922, is made up as follows:
>
> Canteen profits.. .. .. £7,200,554/15/10
> Demobilized units.. .. .. 42,705/ 7/ 3
>
> Under the charter the governing body is a council of management consisting of a chairman, nominated by His Majesty the King—

Mr. BELAND: Not in council?

Mr. CLARK: No. It is an incorporated body. It is quite different from the present proposal. This is a corporation, and the

4 p.m.

corporation provides for the appointment of a chairman by His Majesty the King. That may be in council; in all probability it is. The first chairman appointed was His Excellency the present Governor General of Canada, who has since been succeeded by Field Marshal Earl Haig. To continue:

Under the charter the governing body is a council of management consisting of a chairman, nominated by His Majesty the King, and twelve members, of whom nine are nominated by the British Legion, and the remaining three by the chairman to represent the ex-service men who do not belong to the British Legion. The present chairman of the council of management is Field Marshal Earl Haig. The first chairman was the present Governor General of Canada.

It will be noted that the British government has nothing whatever to do with the disposal of the fund. The council of management meet periodically and decide all questions of principle that arise, and supervise generally the work that is being done.

Then there is a memorandum as to the Administration committee and the Advisory Finance committee and their special agents:

The money is distributed principally under the following schemes:

And these are the schemes I commend to the minister, and which I suggest might be embodied in his bill:

Sick ex-service men scheme.

Removal grants for ex-service men.

Care of children not provided for by one or other of the fund's schemes.

Clearing homes for children who could not be properly cared for in their own homes owing to the death of one or both of their parents, and for children living in undesirable surroundings.

Parental care in cases where it is deemed undesirable that the children should remain in the care of their parents, relatives or guardians, notably in the case of very young children, and where the financial circumstances of the family make impossible the provision of adequate food and clothing for the children.

Then under the heading of convalescent treatment:

It is frequently the case that the parents of children recovering from illnesses are prevented by their straitened circumstances from arranging for the all-necessary convalescent treatment.

Special medical treatment for those needing special medical or dental treatment.

Surgical tuberculosis which is responsible for terrible deformities in thousands of unfortunate children.

After care—by which it is hoped to afford every child an opportunity of becoming a useful member of the community.

Apprenticeships and special training for children under 16 years of age form part of the scheme.

Then there is a memorandum on an educational scheme. They do not approve of the institution of any special scholarships as it was considered that a sufficient number already existed, or could be created by the Board of Education to cover the cases of the children whose abilities warranted them. I think these are the main purposes to which the British fund is devoted, and purposes to which our fund might well be devoted, certainly in part.

Sir EUGENE FISET: Do the regulations which my hon. friend has just read form part of the trust, or were those regulations made by the trust itself after the trust was formed? I think these are only regulations. These were not embodied in the bill. I think they left it to their own trustees to make their own regulations.

Mr. CLARK: It was not a bill at all in England. It was an incorporation.

Sir EUGENE FISET: Incorporated by parliament, and I doubt very much if, in the letters patent, you would find all the details you have read. I think these details were arranged afterwards by the trustees.

Mr. CLARK: That is quite possible.

Sir EUGENE FISET: That is what the minister proposes to do here.

Mr. CLARK: But we are in a different position from that in which they were in England. They dealt with the matter expeditiously. These trustees in England have been in existence for quite a number of years, and we have the opportunity of profiting by their experience and eliminating such features as did not work, incorporating only the desirable features in our bill.

Sir EUGENE FISET: That is exactly where I think my hon. friend makes a mistake. I think the bill should be as broad as possible, and I think the trustees should be left to make their own regulations.

Mr. CLARK: That may be a matter of opinion, but a difficulty will confront these trustees in the various provinces from the fact that they will not be appointed until nearly seven years after the war is ended. Is that not right?

Sir EUGENE FISET: Quite right, but that does not matter.

Mr. CLARK: We have had two governments in power with an opportunity of studying the situation, and in all these years no scheme has been devised defining any purpose to which this fund might properly be devoted. When two governments have failed to devise a scheme which is approved by all, how can we expect three poor trustees, without any remuneration, probably living hundreds of miles apart, to devise suitable schemes for the administration and disposal of the fund?

Sir EUGENE FISET: But my hon. friend thinks this could be done in the House of Commons?

Mr. CLARK: I do.

Sir EUGENE FISET: I doubt it.

Mr. CLARK: That is what I am suggesting. I am now suggesting a method whereby these trustees might be appointed, and leave this parliament free from all possible suspicion of bringing influence to bear upon them as to the purposes for which they might use the funds. I want it to be broad.

Sir EUGENE FISET: I am afraid your first suggestion with regard to the hundred thousand dollars to be voted by this parliament would defeat entirely the object you have in view. If parliament votes a hundred thousand dollars, those who administer that fund will in the ordinary course be appointed by the Civil Service Commission.

Mr. CLARK: No.

Sir EUGENE FISET: If the money is voted by parliament the staff will have to be appointed by the Civil Service Commission.

Mr. MANION: The Department of Soldiers' Civil Re-establishment was not appointed by that commission.

Sir EUGENE FISET: But this will be a special case.

Mr. CLARK: I am not discussing the hundred thousand dollars at this moment.

Sir EUGENE FISET: But you did.

Mr. CLARK: Yes. My suggestion is that the three independent trustees be empowered by the bill to select and employ independently of parliament or the Civil Service Commission such persons as they see fit.

To come back to paragraph 5, I am suggesting similarly that trustees who are quite independent should be appointed; with general directions as to the purposes to which they may devote this fund. I think the position is so well expressed in a letter I received from a brother soldier that I might read a few words from the letter to show his opinion of it.

Mr. BELAND: A brother general or a brother soldier?

Mr. CLARK: A brother soldier; it could be both. He says:

> If, after six years this is the best suggestion the government can make for the disposal of the canteen funds, bearing in mind the expert staff which it has had at its disposal, what could you and two other trustees do to make a plan to dispose of the money that would be handed over to you with no expert staff at your disposal and with no remuneration for the time you would have to spend. Furthermore, if you were a trustee you would have out of work returned men sitting on your doorstep every night. You would be accused of favouritism, lack of sympathy, embezzlement and God knows what before you finish.

There are other very appropriate remarks in that letter, but I feel quite convinced that that will be the situation if we simply pass the fund to trustees in the various provinces and ask them to devise a scheme, when we have men here who have studied the problem and can give them broad suggestions which could be contained in the bill, some of which they might follow and some of which they might reject. We can make the suggestions broad enough so as to avoid the possibility of manipulation of this fund, because certainly from the time the trustees are appointed they will be the target of manipulators. Let us safeguard the trustees and safeguard the fund in the interests of returned men. That is my sole object and I ask the minister to take it under consideration. He can rest assured that he will have the hearty co-operation not only of myself but of all other returned members who are interested in the fund.

Mr. BELAND: Would the hon. member kindly elaborate the method he has suggested for the appointment of the trustees in the different provinces? Do I understand him to contend that the Lieutenant Governor in Council in each province should not be the party to make the appointment in the first instance? If that is so, if the Lieutenant Governor in Council should not make the appointment, who should make the appointment of the trustees? Also in the third place, amongst what classes should the trustees be selected in order to carry out the object which he has in view?

Mr. CLARK: From what classes?

Mr. BELAND: From what classes, whether of soldiers or civilians or organized bodies of some kind; in other words from where should the trustees be brought that would constitute the board which would come up to the expectations of my hon. friend?

Mr. CLARK: From what class? I say unhesitatingly, only one class—the returned soldiers. I feel quite sure that I could name three trustees who would be acceptable to the returned soldiers generally in British Columbia, and I could draw them all from my hon. friend's party or from my own, for that matter. That is not the point. The recommendations should come from the returned soldiers' institutions. The units of the Cana-

dian corps now in existence in each province might well select one of the trustees. The various soldiers' organizations in each province might well select one of the trustees. That would be two, and the third might be selected by these two, or, failing that, by the Lieutenant Governor in Council. Another scheme might be that the Lieutenant Governor in Council might name the chairman, and the chairman accept the recommendation of the various returned soldiers' organizations for one trustee and the recommendation of the units of the Canadian corps in the province for the other trustee. For instance, if by any possible chance—and I do not think there will be such a chance—the units of the Canadian corps could not agree on one man and there were two men equally well thought of by those units, then if those two recommendations were handed in to the chairman, I would be quite satisfied that he should choose one trustee from these two or from a number of recommendations. The matter would be very simple. In England that policy was followed out. Only one of twelve was named by the government. My memorandum says "By His Majesty the King," which I presume, as the minister suggests, means His Majesty the King in Council. If one is named by the Lieutenant Governor in Council, it will be quite satisfactory, as is done in England, to have the others named by the soldier's organizations or by the units of the Canadian corps in each province. That was done in England to the extent of twelve trustees.

Mr. BELAND: I do not know whether I have exactly understood my hon. friend. If I have grasped the meaning of his remarks with reference to the appointment of provincial boards, they would tend to convey the following idea. Let us take Ontario as an illustration. The Lieutenant Governor of Ontario in Council would ask the different units in Ontario to nominate a candidate, then the different soldiers' organizations to name another candidate, and then the Lieutenant Governor in Council would appoint these two men and the chairman. Since we deal with Ontario as an illustration, we must not lose sight of the fact that in that province it was intended to have five trustees, on account of the size of the province,—the large number of returned men who have enlisted from or been discharged in that province, and the large number of pensioners there. Would my hon. friend be agreeable to something along this line—that the different militia units still in existence in Ontario would nominate two candidates, the returned soldiers' organizations nominate two, and the Lieutenant Governor in Council appoint a chairman, a man naturally of outstanding reputation. Would that meet my hon. friend's views. As regards the other provinces, the suggestion is that the same method should be resorted to, that the units still in existence would recommend one candidate, the soldiers' organizations another and the Lieutenant Governor in Council appoint the chairman. This I think, is quite acceptable. I do not say at the present time that I accept the suggestion, but it is certainly worthy of consideration.

Mr. MacLAREN: May I offer the suggestion that all the trustees should be returned men?

Mr. BELAND: I would not say that. I did not say that.

Mr. MacLAREN: I am aware that the minister did not, but I want to be sure whether that is in his mind. I would suggest to the earnest consideration of the minister that all these trustees be returned men. There is a sufficiently large field to choose from and it seems a natural course to place this in the hands of returned men. There seems to be no cause for going outside of them, and I think it would be a source of satisfaction to the returned men to have the appointments made in this way.

Mr. BELAND: On general grounds I have no objection to the suggestion as it is made, but the recommendation was that the majority of each board should be made up of returned men. I have in mind, for instance, the case of the appointment of the royal commission. It was left open to the Governor in Council to appoint two returned men only and one civilian, but three returned men were appointed. I would submit the fact that an outstanding citizen, who would otherwise appear acceptable to the community at large as being eminently qualified for the position, should not be debarred because he did not happen to serve in the army, probably on account of his being disqualified by his age. A man of sixty or sixty-five occupying an exalted position amongst his co-citizens might be desirable as a member of that board. For instance, let us suppose the man who would be at the head of the patriotic fund—I do not know who he is, even by name—should be a man of sixty-five, eminently qualified for such a position. The fact that he did not serve in the army should not debar him from any appointment of this kind since he has served in a humanitarian capacity for a number of years. Although on general principle I agree that all trustees should be selected from amongst the men

themselves, I do not think that the selection should be confined entirely to the body of returned soldiers. So long as we adopt the principle that the majority of each board shall consist of returned men I think we should leave some room for selecting suitable outsiders.

Mr. MacLAREN: There is no difficulty about finding suitable men among the returned soldiers themselves; capable men I have no doubt could be found both within and without the soldier body. But as the fund is the property of the returned men it seems to me only proper and rational to hand over the administration of it to those who are directly and more particularly concerned. Undoubtedly all of us desire to do our utmost to satisfy the returned soldiers, and my interpretation of their feelings is that they wish to have the opportunity of administering their own funds rather than having someone assist them, however well qualified that assistant might be. Men can be found, I say, within the ranks of those who have been overseas who would be perfectly capable of handling the fund.

Mr. BELAND: The trustees will have to serve without remuneration under this legislation, and that provision in itself might be an obstacle in the way of some returned men who might on all other grounds be excellent members of the board. Some returned men might not be favoured with worldly things, and although they might be thoroughly qualified for the position they might find it impossible to serve without remuneration, losing probably a few days in the month. That is what I have in mind at the moment. My suggestion is that we do not bind the hands either of the federal government or of the provinces in the selection of the trustees. If it were found that some man might make an acceptable trustee, perfectly satisfactory to the returned men themselves, it would be unfortunate if some provision in the statute precluded his appointment. Since this resolution has been before the House one man has been suggested to me as acceptable to the returned men; I do not propose to give his name, but I have every reason to believe that he would be satisfactory. I do not think he would serve on the central board of trustees, although he might be asked to serve in Toronto; but I am quite sure that he would be an ideal man, quite acceptable to all ex-service men. If we provide in the statute that no man shall be appointed who has not been overseas we are going to tie the hands of those who may make the appointments, and in that way it seems to me we shall seriously handicap them. Generally speaking, the principle suggested by my hon. friend (Mr. MacLaren) is a good one, and one to which I subscribe myself. I should be sorry, however, to see the law so framed as to make it impossible for some outstanding man, who might do splendid service on the board, to be appointed merely because through age or ill health he had been unable to join the forces. That is the point I have in mind.

Mr. ARTHURS: I can see no reason why the amount allotted to each province should be hedged around with conditions of any kind. The minister knows as well as I do that we have had the fund under our care for a number of years and we have had representations from all quarters as to its disposal. A committee on soldiers' civil re-establishment has dealt with it more or less exhaustively for years and no decision has been arrived at; and it is now apparent that we are deciding to pass our responsibility over to the provinces. I can see no reason at all why this should be done. The minister mentioned the province of Ontario by way of illustration and I may refer to the same province also. I have no reason to suppose that the members of the Ontario government, present or future, would have the soldiers' interests less at heart than the members of this parliament or of the present government, and I do not see, therefore, why, if we are to divide the fund in the manner suggested, we should not hand it over to the men in every way untrammelled. As a matter of fact, when the minister brings down his bill I would suggest that it be entitled, "a bill for the purpose of passing the buck". We are simply trying to shirk our responsibility and to pass it on to someone else, hedged around with all sorts of difficulties, and I can see no possible reason for that.

Mr. BELAND: I am afraid that if the government decided to administer the fund the hon. member himself would object; he would want to know why we did not leave it to the provinces.

Mr. ARTHURS: There is absolutely no danger of hon. gentlemen taking that course; the government of which the minister is a member are so used to passing the buck that it is nothing new. I want to say a few words now regarding the $100,000. Let me point out that this canteen fund belongs to the rank and file of the Canadian army. I was not here yesterday while this question was being discussed, but as I said a few days ago, this

money belongs to the men entirely and I can see no possible reason why $100,000 or any sum at all should be taken from the fund for the purpose of creating a third or a fourth bureau at Ottawa. We must remember in the first place that the country undertook to place our returned wounded men in the same position relatively that they would have occupied had they not been wounded. And our pension officers are for that purpose. It is quite true that our pension board has been more or less a sell, and probably there is a good deal of reason in some cases; but to get over that difficulty we appointed another bureau, the Federal appeal board. And both of these institutions have been maintained at the public expense. Now it is necessary to have a third body to see that justice is done the returned men. Well, why not pay that body too? Why should this amount be abstracted from the canteen fund of the soldier himself? In the course of this debate I fancy most of us have wandered somewhat from the subject. This canteen fund does not belong to the disabled man alone but equally to the man who returned A-1. Everyone on returning from overseas was supposed to be placed in the same position, as regards earning power, as he held before the war. I am absolutely opposed therefore to the abstraction of this amount from the fund, and this is the view taken by the majority of the returned men. It is also the view taken by Sir Arthur Currie as quoted yesterday, although I have not the extract before me. He distinctly stated that the amount necessary for this adjustment bureau should be taken from the public fund.

Mr. HUMPHREY: Mr. Chairman, in my opinion no condition should be laid down by this House in regard to the appointment of trustees. I would leave it in such a way that any representations would be considered by the Lieutenant-Governor in Council. As to the suggestion by the hon. member for Burrard (Mr. Clark) that military units now in existence should have representation, I am not in agreement with him. There may be military units in Vancouver, but to-day throughout the interior of British Columbia there are practically none, and I am convinced that to lay down the condition that such military units should have representation would create dissatisfaction. I am sure every one in this House, and more especially the Minister of Soldiers' Civil Re-establishment, wishes to evolve a measure that will prove as near satisfactory to the returned men and to the country as is possible, but I do not think we are likely to reach this desirable result if we attempt to lay down conditions regarding the appointment of trustees. Certainly I cannot subscribe to such a course and I cannot agree that military units now in existence should be given representation.

Mr. CLARK: Would the hon. member deny to five hundred members of a military unit, all of whom served in France, any voice in the disposal of this fund? Furthermore, will he say there are no military units in existence in the upper country of British Columbia?

Mr. HUMPHREY: I would not debar the five hundred men identified with a military unit from any voice in the disposal of this fund, I would allow their representations to be considered to the fullest possible extent. But I contend that the representation of military units now in existence is a minor consideration, for these men are sure to be connected in some way with the different soldiers' organizations, through whom they can express their views.

Mr. CLARK: I would wager that not one in fifty of the five hundred men I have referred to belong to any soldier organization. How many paid-up subscriptions does the hon. member think all the soldier organizations have to-day?

Mr. HUMPHREY: I should not like to get into any controversy over soldier organizations.

Mr. CLARK: You are suggesting that they ought to belong to the soldier organizations if they are to have a voice in the disposal of these funds.

Mr. HUMPHREY: No. I want to see them have representation, but I think the administration of this money should not have any military aspect whatever. I believe I am safe in saying that a very high percentage of the returned men want to keep the fund free from military interference. The hon. member for Burrard would apparently bring the administration back to a war status. Replying to his second question, there are very few military units throughout the interior of British Columbia. So far as my knowledge goes, there is only a small nucleus of a military formation at Kamloops.

Mr. CLARK: How about the B.C. Horse?

Mr. HUMPHREY: Where throughout the interior does it exist?

Mr. CLARK: I am asking my hon. friend the question. It is in his neighbourhood.

Mr. HUMPHREY: West Kootenay is not anywhere near my neighbourhood. At one time there was a formation of the B.C. Horse, but we have no military units of that nature now. The consensus of opinion is that the time is not opportune for a military unit. But that is getting away from the question before the committee. I do not want to be identified with the laying down of certain conditions regarding the appointment of these trustees and the administration of the fund. I have the fullest trust that any outstanding man, whether he is connected with a military unit, a soldier organization or any other concern, will give his best efforts to the administration of this fund in the interests of the returned men and the country. I believe if we keep away from the laying down of the conditions to which I have referred it will be better not only for the returned men but for the country.

Mr. MANION: I do not wish to delay the resolution, but I desire to make a few points and to emphasize those I made yesterday, because we intend to keep faith with the minister that the resolution shall be permitted to go through before six o'clock. I think before the minister brings in the bill based on the resolution he should bear in mind the suggestions made from different parts of the House. I cannot agree with the hon. gentleman who has just sat down (Mr. Humphrey). He appears to think that we should not be discussing this resolution at all. But surely the time to discuss a resolution or a bill is before it is passed.

Mr. HUMPHREY: I do not wish to be misunderstood by my hon. friend. I did not imply that we should not discuss the resolution at all, I merely said that we should not lay down conditions respecting the appointment of the trustees and the administration of the fund.

Mr. MANION: It is better to lay down conditions before the resolution passes than to complain about them afterwards. My hon. friend said that the minister especially is anxious to get this matter arranged properly for the benefit of the returned men; but while giving him credit for this, I think we may take it for granted that we are all anxious to bring about a result wholly satisfactory to those concerned. There are two or three points I wish to make in regard to the $100,000 from the canteen fund. I dealt with this phase of the subject yesterday and was supported by the hon. member for Burrard, the member for Parry Sound and some others. The view we take is that this $100,000 should not be taken from the canteen fund and that the expenses of the adjustment bureau should be provided for by an estimate passed in this House, the appropriation to be handled entirely by the central board of trustees, independently of any department of the government. I am on solid ground in taking that attitude. It is the view not only of practically all members who have spoken, but also of Sir Arthur Currie, as the hon. member for Parry Sound pointed out a few moments ago. The hon. member did not have Sir Arthur Currie's comments on the subject before him, but I have them here and I would like to quote from some statements Sir Arthur Currie has made in this connection. I do this because if the minister agrees with what we are proposing I would like to see him arrange his bill so that we can avoid amendments afterwards. Sir Arthur Currie, writing to the Prime Minister in May, 1923, speaking of an adjustment bureau, says:

> I am firmly convinced that such an organization is desirable and necessary and Mr. MacNeil informs me that the Hon. Dr. Béland and yourself hold similar views. I believe myself that such a service is a proper charge upon government funds and its maintenance could be justified to the members of the House.

Then in another letter under date of May 19, a few days later, addressed to the Minister of Soldiers' Civil Re-establishment, he says:

> Such action I hold to have been illegal—

That is, the use of money from the canteen fund or the disablement fund for other purposes.

> The canteen funds are funds in which all the soldiers have an interest and they are trust funds and neither the government nor any department of the government has any mandate to expropriate one cent of those funds.

In another letter dated November 27th, 1924, he says to the minister:

> I am more than ever convinced that this service must be kept going and I take it the government has admitted the principle by its appointment of a soldiers' adviser in the large centres of population in the Dominion. There can be no question in the minds of all right thinking people that the adjustment service as carried on by the headquarters of the G.W.V.A. is urgently necessary and must not be allowed to lapse. You know that my opinion is that the cost of this service should be borne by the government.

Mr. BELAND: Would my hon. friend read further on?

Mr. MANION: I just quoted the words applicable to my remarks. That is the reason I stopped.

Mr. BELAND: I think he says something about taking such an adjustment bureau away from the control of the government.

Mr. MANION: Of course; he has said that a number of times. I think we all agree, the minister himself included, that that should be done. I continue the reading of the paragraph:

I believe that you are willing to bear this cost but that you cannot agree with the G.W.V.A. as to the organization which should be provided for that service.

No, he does not refer to it in that letter, but he may in some other letters. I quoted an opinion of his yesterday that the bureau should be independent of any branch of the government. I quote further from the same letter:

You know my views regarding the use of any part of the canteen fund or the disablement fund for this purpose.

That is, the purpose of an adjustment bureau.

I regard both funds as trust funds and I think that any disposal which has already been made, while perhaps justifiable, was not in accordance with the spirit of a trust.

I think these are sufficient quotations to show the attitude Sir Arthur Currie takes in the matter. Now, here is the statement of a prominent war veterans' organization as sent to a member of this House—to the leader of the opposition, as a matter of fact—from Toronto on March 6th, nineteen days ago. Mr. J. H. Davidson, President of the Riverdale Command, Great War Veterans' Association of Canada, says:

SIR,—The Command of the G.W.V.A. of which I have the honour to be the president most strenuously oppose the payment out of the canteen funds of any moneys to any association, the Great War Veterans' Association included. We maintain, sir, that no association of ex-service men no matter how strong in membership it may be has no right to receive from the canteen funds any moneys whatsoever.

He really contradicts himself there, but it is simply an inadvertence in the wording. A little further on he says—

Mr. BELAND: May I ask who writes that?

Mr. MANION: I gave the name a moment ago—J. H. Davidson, President of the Riverdale Command, Great War Veterans' Association. I am just giving it as an outside opinion.

Mr. BELAND: That association has already received funds from the canteen fund?

Mr. MANION: It is possible; I cannot help that. I am simply quoting his opinion.

Mr. BELAND: Does this gentleman say that should not be done?

Mr. MANION: Yes, he apparently opposes it very strenuously.

[Mr. Béland.]

Mr. BELAND: He was assuredly, then, not a member of the Great War Veterans' Association when that association received large amounts of money from the canteen funds, appropriated by a former government.

Mr. MANION: Well, he is opposing it, anyway. Apparently he opposes any moves that were made to convey moneys of the canteen fund to the Great War Veterans' Association or any other organization. He says:

We maintain, sir, that no association of ex-service men, no matter how strong in membership it may be, has the right to receive from the canteen funds any moneys whatsoever.

Then, a little further down:

If the bill, when introduced, or rather when it is voted upon next time, makes no reference to the payment of any moneys to the Veterans' Alliance or to any other service organization, but that it simply allocates the balance of the canteen funds now in the hands of the Receiver-General to the different provinces in the proportion as suggested last year, that is so much to each of the different provinces and the sums to the Red Cross of U.S.A. and Great Britain, this will be in line with our views. We feel that if at this time it is necessary for moneys to be available for the veterans to have a service bureau to assist them to prosecute their claims for pensions, adjustments, etc., it is the duty of the government of the day to set aside by parliamentary procedure the necessary moneys, and not that the returned men shall be called upon to furnish them from out of the small amount they were fortunate enought to accumulate whilst overseas by their purchase (out of their pay) in different canteens.

This gentleman represents a prominent organization of war veterans, and that is his opinion. So I think the minister should seriously consider the introduction into the bill of a clause which would permit the adjustment bureau to be handled not out of the canteen funds but out of the moneys of the people of Canada and by trustees independent of any branch of the government or of the opposition. That is the first point. Then, in regard to the trustees, this point has been dealt with also; I dealt with it yesterday myself and others have referred to it. I hope the minister will live up to what I think he agreed to yesterday in regard to arranging the appointment of the central trustees—and if he can carry it to the extent of arranging similarly the appointment of the provincial trustees I will follow him—namely, that no strings should be attached to them, politically or otherwise. In other words, if possible one trustee should be selected by this parliament and one by the different returned soldiers' organizations combined, and then let these two choose a third.

Mr. BELAND: My hon. friend would not allow the Governor in Council to appoint one?

Mr. MANION: If these two could not agree, I would say the Governor in Council should appoint a third member. But I do not see why the government should be particularly anxious to appoint one. It is not government money.

Mr. BELAND: If the government is to be distrusted as much as that, I wonder why the fund was placed in its hands.

Mr. MANION: There was nowhere else to place it, as far as I know.

Mr. BELAND: It could be put in a thousand other places. It could be deposited with a bank or trust company, for instance.

Mr. MANION: As a matter of fact somebody suggests that it was another government in whose hands the money was placed. However, I was not going to refer to that.

Mr. BELAND: And they dealt with the funds very poorly.

Mr. MANION: I do not agree with the minister; and I am willing to debate that point with him if he wants to take the time to do it. I think we dealt with them very honestly and fairly. Whatever distributions were made were in proportion to the numbers in the different organizations. As far as distrust is concerned, I think the minister is simply importing that into the discussion. It is not a case of distrust, it is simply a case of endeavouring to get these trustees appointed in such a way that they will be outside of politics altogether. This money does not belong to the government or to parliament; it belongs to the returned men entirely, and I think the returned men should handle it. It should not be handled in any way by this government or any other—I happen to speak of this government because this is the government which is arranging to distribute the funds. I am not making this suggestion because of any distrust, but because I think the trustees should be absolutely above anything in the shape of political influence. I have no doubt the minister could mention many names to the House that would absolutely satisfy me. I am not suggesting that the trustees should be Conservatives or anything of that sort. I have heard a number of names mentioned already, among them the name of Sir Arthur Currie, who I believe is a Liberal. Another very prominent man in this city I heard mentioned yesterday. He is an outstanding Liberal, and his brother is an exceptionally outstanding Liberal, and if this man was appointed he would certainly be satisfactory to me. So I am not thinking of the political side of it at all. My only desire is that so far as possible the trustees shall be appointed in such a way that they will be outside of politics altogether. If this money belonged to the Department of Soldiers' Civil Re-establishment that would be a different proposition. Then the government themselves should appoint the trustees. But this is money that belongs to the returned men, and I do not see any reason why the government should wish to appoint the trustees; I think they should welcome the opportunity to get rid of all responsibility in the matter.

In regard to the trustees, I rather lean to the idea of their being returned men, not because I have not the same respect as the minister has for many men who did not go overseas, particularly those who were too old to go. I know very many men who did not join the forces, and who never did anything directly in a military way, yet who are perhaps equally deserving with the men who went overseas. I would be the last to suggest any distrust of anybody who did not go overseas simply on that account. At the same time, I believe you would get more satisfaction among the returned men if this fund were handled by the returned men entirely; that is the only reason I have for making this suggestion. Otherwise, I should not care to put up a fight on the matter at all. I think the government would be wise, when they bring in the bill, to provide for returned men entirely handling the funds, especially in view of the fact that we have four or five hundred thousand returned men in the country; and though, of course, there are many able men outside the ranks of those who went overseas, certainly among four or five hundred thousand men you could get just as outstanding men as you would find outside. I think it is only a fair proposition, therefore, that this money, which belongs entirely to the men who served overseas, should be handled entirely by the returned men themselves.

There is one other point, and that is in regard to the passing of the resolution. There are some others who wish to speak, I presume, but I wish to point out this: Last evening we had a little bit of discussion about carrying this resolution over until this afternoon, and my good friend the Minister of Justice (Mr. Lapointe) argued that the principle of the resolution did not deal with the details. Perhaps he was right. At the same time, if by passing the resolution we are agreeing to the principle that there is to be a distribution

of the canteen funds, though I may be quite agreeable to that, I do not wish it to be understood that we will not move amendments if the government does not introduce some that have been suggested; for example, along the line of the allotment of the $100,000. I want it to be understood that when the resolution is presented, we are at liberty to move any amendments we think desirable to be made in the bill. I presume that is understood by the minister.

There is one other point, and that is the point made by my hon. friend from Burrard (Mr. Clark) regarding the putting of limitations on the trustees. I notice that clause 10 of the bill of last year, Bill No. 253, as passed by the House of Commons on the 16th of July, of last year, provides:

5 p.m.

(a) Any plans formulated should be based on the assumption that there will be prospective beneficiaries for several years to come;

(b) Any use of the fund for relief purposes should be limited to the class of case for which no relief is then available from governmental sources, and in particular to specially meritorious cases;

(c) If the provision of scholarships in schools and universities is undertaken for specially promising children of ex-members of the forces or of members of the forces who have died, this should not necessarily be confined to the higher grades.

Of course, I know these subclauses are put in partly conditional upon their adoption. At the same time, the fact remains that in last year's bill the government did introduce some limitations as to the manner in which these funds should be used by the different provinces, and if there are some good suggestions for us in the uses to which the funds in Great Britain have been put, which were cited by my hon. friend from Burrard—and I think some of the suggestions were good—there is no reason in the world why one or two subclauses might not be added to the bill of last year. I have not seen the bill of this year, and I do not know whether it contains these subclauses.

Mr. BELAND: Yes.

Mr. MANION: There is no reason, to my mind, why the minister could not add another subclause, or more, exactly on the same lines as this, to provide that the funds shall be used entirely for the benefit of the returned men and their dependents in the different provinces.

Sir EUGENE FISET: Suppose those restricting clauses are embodied in the bill who is going to prepare the further regulations that will be needed both for the provincial boards and the central board? Will the central board prepare them?

[Mr. Manion.]

Mr. MANION: They were incorporated in the bill of last year. Perhaps the minister could answer that.

Sir EUGENE FISET: What were incorporated in the bill of last year were the restrictions my hon. friend has mentioned. They were not what I might call absolute regulations to guide the provincial boards as well as the central board. The central board, in my opinion, should be the body that will provide the further regulations that will be needed either for the central board itself or for the provincial boards.

May I go a little bit further and suggest that the main body to be organized under this resolution is the central board. And the very fact that my hon. friend has mentioned Sir Arthur Currie's name as chairman of this board, is proof that this board is considered the most important board that will be appointed under this resolution. So why not leave to the central board the work of ascertaining from the different associations of returned men in the different provinces what men they would choose to sit on this board of appeal for each province? That is the proper body, in my opinion, to consult with the associations in the different provinces, and after consulting with them they could recommend to the Lieutenant Governor in Council of each province the names of those who should be appointed to form these boards. I think that meets the opinion of everybody, and I think also it is a concrete and practical proposal.

Mr. MANION: I would agree with that.

Mr. CHURCH: This discussion has gone on now for some four or five sittings—

Mr. BELAND: Will my hon. friend allow me first to reply? I understand he is entering upon another subject.

My hon. friend from Fort William and Rainy River (Mr. Manion) has referred to the limitations in clause 10 which were incorporated in the bill of last year. I will deal with that in a moment. But before we go any further, I would like to explain to the committee that the central board, though it is so named, will have nothing to do at all with the provincial allotments.

Sir EUGENE FISET: I did not mean that, but in the bill you can give power to the central board to prepare the way before the other bodies are appointed.

Mr. BELAND: My hon. friend from Rimouski (Sir Eugene Fiset) has suggested that the central board should be given certain

powers which it has not under the resolution or under the bill that is to come. However, that is worthy of consideration. I understand that at present, and as the matter stood last year, the function of the central board was to maintain to the best of its knowledge adjustment services out of an amount which was turned over to it by the Receiver-General, and in the premises the amount is $100,000. It is obvious to hon. members that some of the provincial boards will have very heavy functions to perform, inasmuch as amounts as large as $800,000 will be turned over to one province, and in some other instances two or three hundred thousands will be allotted to the provincial board. Their functions will be very important, as a matter of fact much more important than the functions of the central board, whose functions are limited to organizing here in Ottawa an adjustment bureau in the way they deem to be best in the interest of the returned men—fixing the number of people who should constitute it, and providing for the proper remuneration of the parties so engaged.

Let us deal with this central board in the first place. How should it be appointed? We all agree that it should be appointed in such a manner as to render it absolutely beyond governmental or ministerial influence. It has been my intention from the first to appoint a board that would be so outstanding in reputation that not one member of this House, and not one single man, could take exception to it. My idea was to ask Sir Arthur Currie to be the head of the board. I have reason to believe that he will accept, not that I have consulted him to-day or yesterday, but on account of his willingness to accept such position some ten or twelve months ago. Another idea of mine was that the president of the Canadian Red Cross, whoever he may be, should be ex-officio a member of that board; and that a third man should be nominated by the returned men's organizations. These three men would be absolutely beyond governmental influence. I think this suggestion of mine would be acceptable to everybody. But I do not think you can take from the Governor in Council the appointment of the board of trustees. It is the duty of the Governor in Council to make that appointment, and I think it is the duty, of course, of the House of Commons to vest the power in the Governor in Council.

Mr. MANION: We understand; the appointment is certainly in the hands of the Governor in Council, but we were speaking of the choice.

Mr. BELAND: If the bill should provide that the president of the Red Cross or the president of the Canadian Patriotic fund should be one of the trustees ex-officio, that one nominee from the returned soldiers' organization would be the second nominee, and that the third would be appointed by the Governor in Council, and if I say, as a minister, that it is my intention to request Sir Arthur Currie to act in that capacity, I believe that this clause at least, inasmuch as it refers to the appointment of the board of trustees, will be surrounded with all possible security. I have noticed all through this debate that my hon. friends on the other side were somewhat nervous over the appointment of the central board of trustees. If they feel that I have in my mind some evil design to appoint three staunch Liberals who would do exactly as I told them, I must remove that impression. I hope such an impression has not penetrated the mind of any hon. gentleman opposite. That never entered my head. I had no intention of appointing a board of that character. I deprecate the idea that such a board should be under the control of the government for the very reason that has been many times invoked during the debate, namely, that this money belongs to the returned men, and no government should try to interfere with the proper disposal of it. It has been suggested that this adjustment bureau should be supported by public funds. This is an idea that may be shared by a great many. Parliament has not been stingy in providing assistance to such services through Canada. Hon. gentlemen will remember that at the time of the appointment of the Federal appeal board, it was provided, I think in the Department of Soldiers' Civil Re-establishment Act amendment, that soldier advisers should be appointed all over the country.

Mr. ROSS (Kingston): As the minister appears to be so very generous as to throw away all the appointments, I ask him, will he be as generous as he was in regard to the appointments on the Federal appeal board?

Mr. BELAND: I think they were very fine appointments indeed, men of outstanding ability and reputation. I have not heard a single complaint as to the character or ability of any of these men.

Mr. ROSS (Kingston): How many Conservatives were appointed?

Mr. BELAND: I think, two.

Mr. ROSS (Kingston): Could the hon. minister name them?

Mr. BELAND: I am not going to name them in the House. I will name them after the House rises, if my hon. friend wants the names. They were at one time strong Conservatives, but perhaps they have gone back on my hon. friend because he has not lived up to their expectations. Speaking of soldiers' advisers, we have appointed, I think, thirteen or fourteen all over Canada, and in no instance have we appointed a man of our choice. We have asked the Dominion Veterans' Alliance to indicate to us in every unit a soldier who would be acceptable to them. They have submitted these names and all have been appointed. Lately, not more than two or three weeks ago, I again requested the Dominion Veterans' Alliance to submit the name of a man in New Brunswick because the soldiers' adviser had resigned, and a name was suggested to us and an appointment made. Everybody knows these men have not been selected for their political inclinations. There may be some Liberals among them; I would think the majority would be Liberals, because the majority of the people in the country is made up of Liberals.

Mr. MANION: Not now. That was three years ago.

Mr. BELAND: We will have to wait till a general election to find out about that. I know of some who are staunch Conservatives who are discharging their duties in a very creditable manner. In this case all the soldiers' advisers are paid from public funds. An appropriation is voted every year for the purpose and they are paid by the Department of Soldiers' Civil Re-establishment in every case. This is going a good way towards discharging this public function to which the hon. member for Fort William and Rainy River has alluded. What I want to impress upon the House is that, after consultation with the returned men throughout Canada, the royal commission has recommended this arrangement. It passed last year and since then I have not heard anybody criticize it, outside of this House at all events. For some months after that session was over, I did not receive from any organization throughout Canada any representation as to what should have been done instead of what had been done. In the present instance it is clear that the organizations are supporting the legislation. The only protest is against the allotment of any part of that $100,000 to one particular organization. They deprecate the idea that one special organization should be selected above the rest to be their representative here at headquarters. It is not for me to say whether they are right in their contention or not. But we say to the organizations, there is no intention—and I say that deliberately in spite of what you may read in the order in council—of having this money applied only to one soldiers' organization, but on the contrary it would be the intention of the government to say in the order in council appointing the trustees that they should make it a point to have an adjustment bureau that will be acceptable to every soldier in the country. That will not mean the application of the money to one particular organization. With a few exceptions, I believe this is acceptable generally to the soldiers in Canada.

Mr. MANION: The quotations I gave were not against the money being used by one organization, but against the money being taken from the canteen fund for any purpose.

Mr. BELAND: For the Dominion Veterans' Alliance.

Mr. MANION: For any purpose. The quotation I gave from Sir Arthur Currie was that the canteen fund should be left as the canteen fund. Perhaps one of the quotations was against one particular organization getting the money. I certainly did not offer, and I did not hear any other hon. member offer any criticism of the present adjustment bureau or the Great War Veterans' Association in any way. The only attitude I took was that this should be administered fairly and squarely.

Mr. BELAND: Be that as it may, the recommendation of the commission was to the effect that $100,000 should be allotted to a certain board of trustees for the purpose of maintaining a service bureau here at headquarters. How did the royal commission come to this view, I wonder? I have asked myself that question more than once. I have not questioned them in this connection, but I presume they have reached the conclusion because in every unit of the Department of Soldiers' Civil Re-establishment, the department is supporting one soldiers' adviser and is providing also some clerical assistance for him. I presume that the royal commission has said: The duty of maintaining a certain service throughout Canada, a service that would be ear-marked as it were for returned men, has been attended to by the government in the creation and in the remuneration of soldiers' advisers boards. It was undoubtedly pointed out to the commissioners that the soldiers were contributing throughout the country for the maintenance of a certain adjustment bureau at headquarters. It was

their money which was used largely for the maintenance of that bureau. Since the money of the returned men is being contributed to maintain an adjustment bureau at Ottawa, is it entirely beyond the mark to suppose that the commissioners have thought that a part of the canteen funds should be used for the purpose, because it would relieve at least the organizations and the members of the organizations from contributing for that service. I believe that is the main reason that has prompted the royal commission in making the recommendation which they have made. This is no bill of mine. I may have drafted it, but it is framed upon the recommendations of the royal commission. I imagine—and I am in the judgment of hon. members—that if on one particular occasion I had come before a committee of Supply with a proposal to appropriate $100,000 of the public money to maintain an adjustment bureau at Ottawa, the hon. member for Fort William and Rainy River or the hon. member for Burrard could have risen and said: This is another government agency; this money, whatever you do, will be paid out by the government and it will serve party purposes.

Mr. MANION: That would be correct if it were not handled by such a board of trustees as we propose.

Mr. BELAND: It would be said, as it has been pointed out and hinted on many occasions since the commencement of this debate, that in some way or another it will be possible to keep a string on that money because it is public money. Of course everybody is entitled to his opinion in this regard, but I hope the resolution as it is will pass, and that the bill, with certain amendments which will make the appointment of the board more secure from political influences, will be brought down and accepted by the House.

The hon. member for Fort William and Rainy River has referred to clause 10 in the bill of last year. My hon. friend was out of the House for a few moments when his colleague the hon. member for Burrard was discussing some phases of the resolution, particularly the appointment of provincial boards of trustees, and also the distribution amongst the provinces of certain amounts and the uses to be made of those sums. When my hon. friend was out of the House I quoted clause 10 of the bill of last year, which clause will also be incorporated in the bill of this year and which imposes upon provincial boards certain limitations. What are they? I have read them and the hon. member for Fort William and Rainy River has read them. Why are they to be incorporated in the bill of this year? Because the royal commission has pointed out that these limitations should be incorporated in the bill.

Mr. MANION: I understood that and I meant to mention it.

Mr. BELAND: What did the royal commission say in this connection? They said in the first place that the fund should not be spent immediately but that its use should be providently spread over a number of years. And what did the bill of last year contain? It contained a clause to the effect that, without limiting the powers conferred upon the lieutenant governors in council:

—the following general principles shall govern any distribution or apportionment of amounts allotted to such provincial boards and trustees:

(a) Any plans formulated should be based on the assumption that there will be prospective beneficiaries for several years to come.

The royal commission further recommended, in this connection, assistance to specially meritorious cases where ex-members of the forces and their dependents are in genuine distress; and there will be found in the bill a clause bearing upon this very subject. In the third place we have a recommendation that scholarships in schools not necessarily to be confined to the higher grades and universities, be provided for specially promising children of ex-service men. Again there is in the bill, in section (10), this limitation:

If the provision of scholarships in schools and universities is undertaken for specially promising children of ex-members of the forces and of members of the forces who have died, this should not necessarily be confined to the higher grades.

This is no impediment to the proper carrying out of a sound policy for the administration of the canteen fund in the various provinces; it will not prevent the provincial boards from doing everything possible in the interests of the returned men generally. But it does impose upon them certain limitations in the interests of the men themselves. Of course, it will be for every provincial board to elaborate its own policy with regard to the expenditure of the money that is given it by the Receiver General. It will not be for me to say, "You shall do this or that;" as a matter of fact the boards shall be appointed by order in council passed by the Lieutenant Governor in Council in each province. I do not know of any measure presented to this parliament in the last quarter of a century that has been surrounded with so many provisions to preclude, beyond any possibility of doubt, any influence on the part of the gov-

ernment in the administration of the particular law concerned. There has not been a measure surrounded with so many securities against governmental influence as there are in this legislation to prevent the government from influencing in any way the distribution of the money.

Mr. ARTHURS: The minister has referred to the provisions of last year's bill, and I notice that the word "shall" is used. That is certainly prohibitory so far as any other use of the money is concerned. Was there no difference of opinion among the witnesses before the Ralston commission as to the disposition of the fund?

Mr. BELAND: There is no question that a number of schemes were submitted to the commission. My hon. friend is quite right, for as many as twenty-seven different schemes for the use of the fund were considered.

Mr. ARTHURS: Does the minister condemn all the others except these three?

Mr. BELAND: No. But these are not schemes in themselves; they are only limitations. They simply say: Do not use the money all at once but spread it over a number of years. Of course, there may be ten or twenty different plans, but these are general limitations recommended by the commission, and they are wise limitations, I submit.

Mr. ARTHURS: Would it not be better to leave it to the discretion of the various provincial governments instead of laying down this provision?

Mr. BELAND: The Lieutenant Governor in every province will appoint the board of trustees and the province will draft its own order in council; I am not going to draft it. But as minister I want to relieve my colleagues and myself of the responsibility which was placed on our shoulders by the royal commission in the recommendation of these limitations. In section (10) of the bill we provide that the Lieutenant Governor in Council and the provincial government shall direct themselves according to the provisions of the act, and if they fail to do that they will be to blame; I shall not be responsible. That is the only explanation I can give.

Mr. ARTHURS: I still object to the word "shall" in regard to these provisions. The minister says that he is relieving himself of the responsibility imposed upon him by the commission in these particulars. Would that not be equally true of all the recommendations of the commission?—and if so why did he not have them before the House long before now?

[Mr. Béland.]

Mr. BELAND: My hon. friend cannot accuse me of having hidden anything in connection with this bill, which is exactly the same as the bill that was before the House last year. The hon. gentleman read last year's bill more than once and he knows it by heart. Section (10) declares that without limiting the powers conferred on the lieutenant governors in council certain general principles shall govern any distribution or apportionment of the amounts allotted to the provincial boards. The word used is "shall." Why not? We could not say "may" govern. It seems to me that these particular limitations recommended by the commission are such as to appeal to every member of the House, and I am sure my hon. friend is ready to subscribe to them. They are of a general nature and are most commendable. They say that any plans formulated should be based on the assumption that there will be prospective beneficiaries for years to come. That is to say, it suggests that the plans be so formulated as to ensure that benefits will be derived from the fund for a considerable time. In the second place, it is recommended that any use of the money for relief purposes should be limited to the class of cases for which no relief is at the time available from government sources, and particularly to specially meritorious cases. Surely I need not dwell on the wisdom of that; in a word, that provision is that we do not help those who are already helped and that we confine ourselves largely to the most meritorious cases. And the third recommendation is that if provision in regard to scholarships in schools and universities is undertaken for specially promising children of ex-members of the forces or of members of the forces who have died, this should not necessarily be confined to the higher grades. Could anything be more democratic than that? It provides that we shall have regard for the children not only of officers but of the private man himself. This is a wise limitation and it is democratic in the extreme; it recommends that the son of the ordinary soldier shall be dealt with in the same way as the son of the officer high in rank. These limitations were accepted last year and I am sure they will be accepted again.

Now, we have discussed this resolution extensively and there are some amendments which I intend to submit when the bill is before the House in committee of the Whole in connection with the appointment of the central board and probably as well of the provincial boards, largely in line with the suggestions that have been offered. Also I

intend to introduce an amendment to deal with the Yukon's share. I do not know whether it will satisfy my hon. friend (Mr. Black) entirely, but I can assure him that if it errs in any way it will be on the side of generosity for the Yukon.

Mr. MacLEAN (Prince): Mr. Chairman, I notice that Prince Edward Island and Nova Scotia are also grouped together. We take objection to that, and we sincerely trust that the minister will treat Prince Edward Island separately, so we will have the benefit of our own share of the funds.

Mr. BELAND: I shall be glad to submit an amendment making the allotment separate for Prince Edward Island as a province.

Mr. CHURCH: The minister has wrestled all day with this resolution and I do not intend to delay its passage. The only point before the committee is how the canteen fund is to be divided, by whom and when. There is room for a great deal of difference of opinion on this, and the more I hear the minister (Mr. Beland) speak on the resolution the more doubtful I am whether he is taking the right course. The city of Toronto is interested in this fund, having some 45,000 returned soldiers within her boundaries. We know it is the desire of the minister to help the returned men. He is a returned man himself, and he never looks to this part of the chamber without getting sympathy and help. My objection is to the administration of the fund. I would like to see him take example by the patriotic fund of $44,000,000, which was administered by outstanding business men at a minimum of cost and with a maximum of efficiency. There was never a single complaint about the administration of that fund. Here we have two and a half million dollars, and I fear that a large part of the fund will be spent in administration costs and the men will get only a small balance for their benefit. To-day, seven years after the war, we have the most cumbersome and complex system for the relief of our soldiers. What they want is direct relief. And goodness knows many of our returned men who are suffering to-day would find this fund a godsend and a blessing if it were administered by outstanding business men instead of being frittered away by a bureau here in Ottawa. I fail to see such a bureau can help a soldier in Toronto, Hamilton, Brantford or any other city. This bureau is simply a lot of red tape. I think it would be better if the minister administered the fund in his own department, or by three outstanding business men. I know one such man in Toronto, Mr. W. D. Ross, and there would be no difficulty in getting others to cooperate with him without expense to the country or to the soldiers. Then those for whom the money is intended would get every cent of it. We in this quarter of the House have every sympathy with the minister, notwithstanding the very unfair remarks of the hon. Minister of National Defence (Mr. Macdonald). He was not in the House last night and did not hear the reasons why I spoke. I did not occupy the attention of hon. members for more than ten minutes, and yet I heard him say, "Tommy Church has been obstructing for an hour. Everybody knows that that is not correct. I repeat, the minister should either deal with the fund through his own department or as the patriotic fund was administered, by a board of two or three prominent business men.

Mr. LADNER: I should like to say a few words on this question, having a large number, relatively speaking, of returned soldiers and their dependents in my constituency. One aspect of the question I do not think has been touched upon—the nature and need of the work of the adjustment bureau. I am in accord with the principle of the resolution, it being based upon the Ralston report. Since 1917, when the soldier organizations first became active on behalf of the returned men, it has been evident to anyone associated with those organizations that they were serving a good purpose. Taking the Great War Veterans' Association as an example, I am informed on good authority that they have dealt with more than 80,000 individual claims during the past six years, of which 32,000 were successful. The men have confidence in their own organization, which explained to the claimants the nature of their cases and the legal difficulties confronting them, and as a rule the claimants were satisfied. It has been suggested that perhaps the D.S.C.R. could carry on some of this work, but being a department under the goverment and having the taint of officialdom, it does not satisfy all the returned men The cases I have referred to cover a very wide range. They include matters connected with parliamentary legislation, cabinet action; departmental regulations; Employment Service Council; pensions; medical treatment; medical treatment—pay and allowances; dental treatment; military pay; working pay; separation allowance; burial expenses; badges and decorations; estates; exchange; transportation expenses; repatriation; whereabouts; war service gratuity; discharge cer-

tificates; medals; pleas for clemency—judicial; civil service appointments; divorce; educational exemptions; housing loans; soldier settlement; Dominion lands; insurance; mother's allowance; naturalization; patriotic fund; relief; general employment; vocational training; vocational loans; miscellaneous; appeals.

Now, the cost of maintenance of the legislative and adjustment service during this period amounted to $450,000.

Mr. ARTHURS: What is the hon. member quoting from?

Mr. LADNER: From a memorandum handed me by the secretary of the organization I am discussing. The amount expended, I am told, was $450,000, of which eighty per cent was borne by the Great War Veterans' Association from its internal revenue. Staffs are maintained in seven provinces. There are in this particular organization some 800 branches. I am told that about forty new claims per day are coming in and that over 8,000 files are in process of adjustment. I mention these facts in order to lay the groundwork for my contention that an independent adjustment bureau detached from the government does serve a good purpose and should be maintained in the future.

The resolution provides for the placing of $100,000, allotted from the canteen fund for the maintenance of an adjustment bureau, under the control of three trustees. As I understand it—at any rate, I hope the bill provides for this—the trustees may make the arrangements for the organization to be used in connection with the adjustment bureau. No doubt all the soldier organizations will be consulted so far as the formation of the bureau and the spending of the money is concerned and that the advice of the different organizations capable of assisting in the perfecting of such an adjustment bureau will be secured. I do not advocate, and I do not think anyone would, that the money should be applied to or given to any one particular organization. But it should be independent of the government, detached from any element of bureaucracy or officialdom and under the control of the trustees who themselves would appoint capable men selected perhaps from different organizations on account of their skill to carry out the work.

A reference to the Ralston report will show that a ballot taken with regard to the disposition of the fund disclosed such a variety of opinion that it was impossible to come to any conclusion upon it. The largest vote was in favour of the establishment of memorial workshops for the provision of sheltered employment and home employment for disabled ex-service men including the tuberculous. The number of votes for that scheme was 5,764. The votes for two other schemes, denominated in the report as schemes B and C, were 2,874 and 2,298 respectively, and there was a similar number of votes for scheme D. The parliamentary committee of 1922, in making their report regarding the disposition of the canteen funds, recommended a board which would consider the advisability of employing the canteen funds: (a) for the promotion of sheltered workshops, and (b) for providing further education facilities for children of ex-members of the forces who would otherwise be unable to enjoy the same. When the Ralston commission went to the different cities they found that various organizations had different ideas as to how the matter should be dealt with. The report states:

> To determine from the foregoing the common desire of the ex-service men concerning the ultimate use of the money is impossible, but the two clear-cut suggestions were, education of children whose fathers served in the war, and relief of distress among ex-service men and dependents.

I now come to a question that I do not think has been raised in this debate, and that is the question of pensions for old soldiers. We know there are many meritorious cases of men who served overseas and whose health has been shattered but who have not been able to claim pension on account of the peculiar operation of the rule of attributability, and who may find themselves destitute and dependent upon charity unless some provision is made for them. I would like to see some direction given to the provincial trustees which will bind them to certain definite purposes in the use of this fund. I would like to see something in the bill which would oblige the trustees to give primary regard to the two purposes which the commission found there was common agreement on, namely, the education of children whose fathers served in the war, and the relief of distress among ex-service men and dependents. I would also like to see a provision which would enable relief to be given to men of shattered health who require assistance in the evening of their life. It will be noted that the resolution is wanting in that respect. According to the resolution the trustees are empowered to receive and hold this allotment and to ascertain the wishes of those interested and residing in the province. Now, the royal commission sat in each province, at considerable expense to the public treasury, and they did ascertain to a large ex-

tent the views of representative organizations and interested parties in the provinces. I therefore hope that the minister will make provision in his bill for a recognition of those purposes in respect to which a definite conclusion has been arrived at. With regard to the appropriation of $100,000 out of the canteen fund, I do not entirely share the views expressed by some hon. members in this part of the House. The fund is primarily for the purposes of returned men and their dependents, and these purposes having been served to a large extent in the past, by the adjustment bureau of the Great War Veterans' Association, a portion of the money for the purpose coming out of these funds, I do not see why in the future also the canteen funds should not take care of an adjustment bureau under the trustees. The public have expended large sums of money in the establishment of the department, in the establishment of federal appeal boards, soldier advocates, and in a number of other ways, and I think the fairest and the most considerate way would be to appropriate $100,000 out of the canteen funds, because that apparently has already met with the agreement and consent of large sections at least of the soldier body and of the public, as well as being the judgment of the royal commission which investigated this matter.

Resolution reported, read the second time and concurred in. Mr. Beland thereupon moved for leave to introduce Bill No. 32 respecting the distribution of the Canteen Funds.

Motion agreed to and bill read the first time.

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

Thursday, March 26, 1925

The House met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 33, respecting the Restigouche Log Driving and Boom Company.—Mr. Michaud.

Bill No. 34, to incorporate the British Consolidated General Insurance Corporation. —Mr. Irvine.

Bill No. 35, respecting the Mutual Life Assurance Company of Canada.—Mr. Mewburn.

Bill No. 36, to incorporate Guaranty Trust Company of Canada.—Mr. Chevrier.

PATENT ACT AMENDMENT

Mr. ANDREW McMASTER (Brome) moved for leave to introduce Bill No. 37, to amend the Patent Act.

He said: The present Patent Act provides that if a person has invented any new or useful improvement or process, he may obtain a patent upon it; but as the law presently exists, that patent may be defeated and the real inventor deprived of the reward of his inventive faculty, if someone else has used this apparatus or process in any other part of the world. Thus a man might have an improvement, entirely unknown in Canada, for something in connection with an automobile, but someone in the south of Italy, altogether unknown to him, may have invented the same improvement. The object of this bill is to give a patent to anyone who is the first inventor in Canada. I am informed that this bill will place our patent law on the same basis as the patent laws of the United Kingdom and the patent laws of the United States. Our law, as it at present stands, is harder on the inventor than the patent law of either of those two countries.

The other part of the bill provides for the correction of what is not exactly a clerical error, but an error of inadvertence, in the drafting of the Patent Act some two years ago. The draftsman forgot that there had been carved out of what used to be known as the Northwest Territories two very important provinces named Saskatchewan and Alberta. The act provides that what was called the Supreme court of the Northwest Territories should have jurisdiction over patents until that court disappeared and supreme courts of the provinces carved out of this part of the Dominion took its place. When that patent law was passed Alberta and Saskatchewan had been in existence for a number of years. This part of the bill corrects what I might call an historical inexactitude.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

COMMITTEE ON AGRICULTURAL CONDITIONS

Mr. SUTHERLAND:

1. What is the total cost to Canada in connection with the special committee appointed by parliament February 28, 1923, to enquire into agricultural conditions?

2. What amount was paid to witnesses who appeared before the committee, for fees and travelling expenses?

3. What was the cost of printing reports of proceedings before the committee?

4. What was the cost of fees and travelling expenses for witnesses in connection with the inquiry into Atlantic ocean rates?

Hon Mr. COPP:

1. $21,402.53.

2. $2,674.15.

3. Cost of printing proceedings before the committee.. .. $ 7,019.29
Cost of printing report (English and French) of the committee.. .. .. 11,709.09

Total.. .. .. $18,728.38

4. Many witnesses gave evidence on various subjects under investigation. No separate accounts were kept for any subject.

MR. W. T. R. PRESTON

Hon. Mr. MANION:

What is the total amount of money paid by the government of Canada since January 1, 1922, to W. T. R. Preston for any services whatsoever?

Hon. Mr. COPP:

Department of Labour—

Date	Services
1922, April 21 to June 17. Chairman of board of conciliation in dispute of Algoma Eastern Railway and its employees..	$320
July 21 to September 15. Chairman of board of conciliation in dispute of Pere Marquette Railway Company and its shop employees..	425
August 10 to September 14. Chairman of board of conciliation in dispute of Pere Marquette Railway Company and its steamship clerks, freight handlers, etc.	235
	$980

Department of Trade and Commerce—
Inquiry re lake grain rates.. .. .. $ 3,270
Inquiry re ocean freight rates.. .. 1,305

$ 4,575

SOLDIERS' ADVISERS

Mr. BLACK (Yukon):

1. What are the names and addresses of each of the soldiers' advisers appointed by the Dominion government under the Department of Soldiers' Civil Re-establishment Act?

2. What amount has been paid each of the said advisers: (a) as salary; (b) as travelling and other expenses?

Hon. Mr. BELAND:

1 and 2.

Name and adress	Date of app't.	Authorized annual rates: (a) for part time services; (b) for steno. assistance	Paid as salary from date of appointment to 31/1/25	Other payments to 31/1/25 (a) for steno. assistance (b) for travelling and other expenses
H. D. Johnson, M.D., Charlottetown.. ..	3/10/23	(a) $1,200	$1,593 55	(a) 300 00
		(b) 240		(b) 42 90
H. F. Hamilton, Halifax..	3/10/23	(a) 2,400	3,187 10	(a) 247 50
		(b) 480		(b) 299.70
*C. H. Boudreau, St. John..	3/10/23	(a) 1,800	2,240 32	(a) 520 00
		(b) 360		(b) 401 35
A. Pettigrew, Quebec..	3/10/23	(a) 1,500	1,991 94	(a) 375 00
		(b) 300		(b) 83 10
J. V. Locke, Montreal..	3/10/23	(a) 3,600	4,780 64	(a) 900 00
		(b) 720		(b) 76 45
C. Askwith, Ottawa..	3/10/23	(a) 1,800	2,390 32	(a) 450 00
		(b) 360		(b) 104 50
J. V. Conroy, Toronto..	19/10/23	(a) 3,600	4,625 82	(a) 840 00
		(b) 720		(b) 317 80
E. Fremlin, London..	3/10/23	(a) 2,400	3,187 10	(a) 520 00
		(b) 480		(b) 95 95
J. R. Bowler, Winnipeg..	3/10/23	(a) 3,600	4,780 64	(a) 875 00
		(b) 720		(b) 20.35
F. J. Rowan, Regina..	3/10/23	(a) 1,800	2,393 01	(a) 520 00
		(b) 360		(b) 395 95
S. G. Petley, Calgary..	3/10/23	(a) 2,400	3,187 10	(a) 600 00
		(b) 480		(b) 722 37
I. A. MacKenzie, Vancouver..	3/10/23	(a) 3,000	3,983 87	(a) 750 00
		(b) 600		(b) 28 00
G. H. Sedger, Victoria..	3/10/23	(a) 2,400	3,187 10	(a) 600 00
		(b) 480		(b) 41 20

*Resigned February 28th, 1925, and has been replaced by Mr. A. I. Machum.

ROSS' FERRY WHARF

Mr. HANSON:

1. What work was done on Ross' Ferry wharf, Victoria county, Nova Scotia, during the calendar year 1924?
2. Was the work done by contract or day labour?
3. If by contract, who was the contractor, what was the contract price, and were tenders called for?
4. If more than one tender was received, what were the names of each tenderer and the amount of each tender?
5. If the work was done by day labour, how many persons were employed, what were their names, what was the rate of wage paid, the number of days each person worked, and the number of horses employed?
6. If the work was done by day labour, what amount was paid for the different classes of material, to whom and at what price?

Hon. Mr. KING (Kootenay):

For calendar year 1924.

1. Trestle approach to wharf reconstructed.
2. Day labour.
3. Answered by No. 2.
4. Answered by No. 2.
5. (a) 16 persons employed; (b) R. R. McKenzie, foreman, 19 days, $3.50 per day, $66.50; Dan Campbell, labourer, 3 days, $2.50 per day, $7.50; Donald McDonald, labourer, 3 1-2 days, $2.50 per day, $8.75; John Howatson, carpenter, 9 days, $2.75 per day, $24.75; Rod Morrison, labourer, 3 days, $2.50 per day, $7:50; Angus Morrison, carpenter, 8 days, $3.00 per day, $24.00; J. P. Morrison, carpenter, 5 days, $3.00 per day, $15.00; A. B. McDonald, labourer, 12 days, $2.50 per day, $30.00; Murdock M. McKenzie, labourer, 2 1-2 days, $2.50 per day, $6.25; D. H. Corbitt, labourer, 2 days, $2.50, per day, $5.00; John M. McKenzie, labourer, 3 days, $2.50 per day, $7.50; Murdock D. McDonald, carpenter, 1 day, $3.00 per day, $3.00; R. R. McDonald, labourer, 2 days, $2.50 per day, $5.00; Dan. McDonald, labourer, 1 day, $2.50 per day, $2.50; Dan Campbell, self and team 4 days at $6 and 1 day at $4, $28.00; Murdock McAskill, self and team 2 1-2 days at $4 per day, $10.00.

(c) 4 horses employed.

6. Dan Campbell.—36 round spruce logs, 612 lin. ft. at 10 cents 1 ft., $61.20; R. R. McDonald.—10 rounds spruce logs, 210 lin. ft. at 10 cents 1 ft., $21.00; Murdock McKenzie.—5 round spruce logs, 65 lin. ft. at 10 cents 1 ft., $6.50; 8 sticks 8x10 spruce 12 ft. long, $19.20; total, $25.70; Frank A. Bill & Sons.—1 peavey, $2.95; 2 kegs 8-inch spikes at $4.80, $9.60; 1 gallon white paint, $4.75; 450 pounds 18x3-4 drift bolts, headed and pointed 6c, $27; 1 brush, 95 cents, total, $45.25; J. P Morrison.—4 spruce stringers 8x10, 21 ft long, 560 feet. B. M. at $30, total, $16.80; A. K. McKenzie.—2,250 ft. B.M. 3 inch plank at $26 per M., $58.50; 630 ft. B.M. 2x4 at $26 per M., $16.38; total, $74.88.

DARTMOUTH PIER

Mr. BLACK (Halifax):

1. What was the size of the lot of land acquired at Dartmouth, Nova Scotia, from Beazley Brothers for the site of a pier?
2. Whose properties does the site adjoin?
3. Is there any property owned by the Dominion in the immediate vicinity of the pier, and, if so, does the pier site abut thereon?
4. Did the property acquired from Beazley Brothers include a right of way to the pier? If so, from what locality, and over whose property does the right of way run?
5. What price was paid per square yard for the work and other material used for filling in the approaches to the pier?
6. Was this work included in the contract for the construction of the pier?
7. If this work was separate, who had the contract for filling in the approaches?
8. What was the cost of this filling in?
9. What was the estimated cost of the pier exclusive of the site?

Hon. Mr. KING (Kootenay):

1. 2,464 square feet; 27,850 square feet covered with water; total, 30,314 square feet.
2. North and east Canadian Government Railways; west and south, Public Harbour of Halifax.
3. (a) Yes. (b) Yes.
4. (a) No. (b) Property adjoins public dock opposite foot of Mott street, Dartmouth.
5. $1.68 per cubic yard for stone and gravel fill in place.
6. Yes.
7. Answered by No. 6.
8. $43,844.64.
9. Approximately $158,006.20.

ST. MARY'S RIVER

Mr. SIMPSON:

1. Is the government aware that on account of the lowering of the water in the St. Mary's river many Canadian boats are unable to dock on the Canadian side of said river?
2. Is the government aware that as a result the coal and other supplies formerly purchased on the Canadian side for use on these boats is now being purchased on the American side of the river?
3. Is the government aware that the captains of these boats refuse to accept freight for delivery at Sault Ste. Marie, Ontario, greatly to the inconvenience of merchants and others residing in that city?
4. Have representations been made to the government or the Department of Public Works with the view of having these conditions improved? If so, by whom?
5. Is it the intention of the government to undertake this work during the present year?

Hon. Mr. KING (Kootenay):

1, 2 and 3. Representations to that effect have been made to the Department of Public Works, and the matter is being investigated.

4. Yes, by delegation, January 26, 1925.
5. The matter is under consideration.

IMMIGRATION STATISTICS

Mr. FORRESTER:

1. What was the total immigration into the Dominion of Canada from March 31 to December 31, 1924?

2. How many Canadians migrated to the United States during the year 1924?

3. How many Canadians returned to Canada from the United States during the said year?

Hon. Mr. ROBB:

1. 100,570 from March 31 to December 31, 1924.

2. No record is kept by the Department of Immigration and Colonization of outgoing Canadians.

3. A record of returning Canadians has been kept by the department since April 1, 1924. The number who returned to Canada, between April 1 and December 31, 1924, after an absence in the United States of six months or longer and with the intention of permanently remaining in Canada, was 37,317.

MONCTON POST OFFICE SITE

Mr. DOUCET:

1. Has the government purchased a site for the proposed new post office at Moncton, New Brunswick?

2. If so (a) What is the exact location of such site; (b) from whom was it purchased; (c) what is the purchase price; (d) what public bodies in Moncton recommended such site; (e) were representations made by any public bodies against such site, and, if so, what public bodies?

3. If no recommendations of public bodies were made in favour of such site, what person or persons recommended such site?

Hon. Mr. KING (Kootenay):

1, 2 and 3. No site has been purchased.

HEALTH OF ANIMALS REGULATIONS

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): I desire to bring to the attention of the government and particularly of the Minister of Agriculture (Mr. Motherwell) the very severe handicap under which importers are suffering in consequence of a certain regulation of the Department of Agriculture which provides that goods shall not be importd packed in hay or straw from areas in Great Britain and other countries infected with the foot and mouth disease. I wish the House would allow me to mention one circumstance and to base a question upon it. One shipment which has been ordered returned was packed and consigned in November last, but it missed its sailing and was held over until January. I understand that the final ruling of the department was not given until some time in January, fixing the fifteenth day of that month as the last on which such shipments would be received. The point I wish to bring to the attention of the government, and it is a serious one, is that innocent Canadian importers are suffering great handicaps, being in some cases threatened with losses, as a result of breaches of this regulation made before the final ruling of the department was known in the Old Country. Would the government not consider it wise to permit the unpacking of goods coming in the prohibited material, and the destruction of that material, so as to obviate any loss to the importer? This I think would completely safeguard the health of animals in this country and it would save the innocent Canadian importer very serious losses. It is a matter that affects more than the health of animals and I wish the government would take the point into consideration.

Hon. W. R. MOTHERWELL (Minister of Agriculture): I quite appreciate the embarrassing position which some of our importers have been in with regard to the matter raised by my hon. friend. Since he last brought the question up I have inquired into the whole situation in minute detail, discussing it with the Minister of Public Works (Mr. King, Kootenay) who also is familiar with the difficulties that are complained of. Last week again I took the matter up with my staff, especially with Dr. Hilton, whom I requested to prepare for me a statement regarding these shipments, which are coming not only to Vancouver but to every other open port in Canada as well. I wanted to see whether the shipments were diminishing at all under the present policy. I recognize that the fault is with the shipping companies, but how to remedy the evil I have not been able so far to find out. I have been making inquiries with regard to their culpability. I might point out that they are subject to prosecution; but so far I have had no opinion from the Department of Justice. In the meantime, however, we are obtaining a compilation of shipments from each port. At the port of St. John the difficulty has been almost eliminated, there are few shipments arriving there in the prohibited packing material; but at Halifax the situation is different, the shipments of prohibited form are increasing and there is no indication of improvement. I have not had any report so far from Vancouver, and do not know yet what the condition is there. However, in co-operation with my colleagues, particularly with the Minister of Public Works and others, I hope to devise some effective method of meeting the situation, although I do not know at this time

just what it will be. We are working on a policy now, and should our information indicate that these shipments are not coming in in as large numbers as before, the natural conclusion will be that in a few more weeks the situation will clear itself up. I am rather disposed to think that the evidence is in the opposite direction so far as the Atlantic ports are concerned.

Mr. STEVENS: Would it not be possible, in the case of the particular shipment to which I have referred, to permit the landing of the goods and their unpacking, afterwards destroying the packing material? This I should think would compose the difference between the department and the importer.

Mr. MOTHERWELL: If there is evidence that these goods were shipped before the announcement was made as to what the rule would be after January 15, there would be a good claim But my information is that there is no evidence of that nature.

Mr. STEVENS: In this case the shipment was actually consigned in November.

Mr. MOTHERWELL: I shall be glad to look into the merits of that case.

Mr. SPEAKER: I must remind the House that questions before the Orders of the Day are called should be brief and to the point. This also applies to answers.

THE BUDGET

FURTHER INFORMATION SUBMITTED BY THE MINISTER.

On the Orders of the Day:

Hon. J. A. ROBB (Acting Minister of Finance): On Tuesday last the right hon. the leader of the opposition (Mr. Meighen) requested some further information regarding the revenues we expected as a result of tariff changes. I submit the following statement:

Memorandum of Estimated Net Increases, Revenue:	
Customs	$ 914,618
The Special War Revenue Act	47,500
Export of electricity	400,000
Net increase	$1,362.118

Mr. MEIGHEN: Could the minister not give the details of what he expects from each customs subject affected, both by way of addition and deduction?

Mr. ROBB: I shall be able to give my hon. friend that information when we are in committee. He understands, it is purely an estimate based on last year's business.

Mr. MEIGHEN: I know that; but it is usual to give the information in the budget speech.

OCEAN SHIPPING RATES

On the Orders of the Day:

Mr. O. R. GOULD (Assiniboia): Referring to the motion of the Prime Minister (Mr. Mackenzie King) yesterday for the appointment of the committee to investigate the question of ocean shipping rates, I would ask the right hon. gentleman to give the House an assurance that the instructions to the committee will be comprehensive enough to enable it to inquire into other effective methods of control and to report back from time to time.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The motion indicates just what powers the committee will have and the resolution includes all that is in the bill. I think the committee will have all the power it will need to deal with the matter.

SOLDIER SETTLEMENT LANDS

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): Does the government propose to introduce any legislation this session with regard to the revaluation of soldier settlement land and stock?

Hon. J. A. ROBB (Acting Minister of Finance): I answered that question a couple of days ago.

Mr. GARLAND (Bow River): May I remind the minister that he did not answer that question.

Some hon. MEMBERS: Order.

CANTEEN FUNDS—CORRECTION

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): I want to make a correction with regard to certain figures which I submitted to the House yesterday in the course of the debate on the canteen fund. The figures I gave to the House were given to me by the Great War Veterans' Association, and I should like to read to the House the following telegram which I have received from Mr. H. McLeod, the Secretary of the Grand Army Veterans:

Toronto, Ont., 26 March, 1925.

Hon Dr. MANION,
House of Commons, Ottawa.

Would ask you make correction re your statement in House March twenty-fourth Hansard. Figures supplied you reference this association entirely absurd. I appreciate source of supply. Our membership figures available but have not been asked for. Those supplying your information grossly exaggerated their own membership. Grand Army of United Veterans has a membership equal to that of any association in Canada.

H. McLEOD,
Secretary, Grand Army Veterans.

GREAT BRITAIN AND GERMANY SECURITY PACT

On the Orders of the Day:

Mr. JOS. T. SHAW (West Calgary): Mr Speaker, I should like to inquire if the government have been in communication with the British government regarding the proposed agreement with Germany referred to by the British Foreign Secretary in the course of the last few days? If so, has the Prime Minister any communication to give to the House and to the country in connection with the matter?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend refers to the discussion which is taking place at the present time with regard to the security pact?

Mr. SHAW: Yes.

Mr. MACKENZIE KING: The British government have been keeping our government informed in a general way of the nature of the discussions which are taking place, but no communications have been received which could be given to the public at the present time. Speaking generally, the information we have received is almost identical with what has appeared in the press, but there is nothing concrete to report so far.

THE BUDGET

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

The House resumed from Tuesday, March 24, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means.

Sir HENRY DRAYTON (West York): Mr. Speaker, when speaking to the motion a couple of days ago I addressed myself, amongst other questions, to the alarming increase in the obligations of the Canadian National system, and pointed out the direct connection those obligations had with the country's financial responsibilities. I do not know that I should further labour that question to-day. I think it is something which is already absolutely clear to hon. gentlemen who have ever taken the trouble to look into the railway accounts, but I merely want to indicate to the House where this method of handling these debts is leading us. In the fiscal year 1922-23 my right hon. friend the Minister of Finance (Mr. Fielding) received from England $56,000,000. My hon. friend the Acting Minister of Finance (Mr. Robb) points out to-day that the only reason payments were made to the National Railways in cash, as they then were made, was because the Minister of Finance had that large sum of money. We had not last year, nor have we this year, any corresponding sums of money in the treasury. Let me pause for a moment to make this observation. As a usual thing in matters of business, surpluses on the one hand or deficits on the other have relation to the amount of cash available. Here we have this strange position: In the fiscal year 1922-3 the right hon. Minister of Finance pays his way, pays great sums of money to the National Railways, and reports —honestly reports—a deficit of $31,000,000: last year, without the cash and without the payments, we had, strange to say, a surplus claimed: and this year, not only without the cash but in face of heavy declensions in the country's revenue, we have again the claim of a surplus. Well, if my hon. friend's method of reasoning appeals to this House, we must have a new orientation, we must pray that we may have no cash, because in that case we will have a surplus—that is, the condition will be such that under such reasoning the government may claim a surplus. By contrast, with $56,000,000 of cash falling into the treasury and with proper accounting, we had a deficit of $31,000,000 in 1922-3. Now, Mr. Speaker, it does seem to me that the point is so clear that I ought not to insult the intelligence of hon. members and the intelligence of the country by further elaborating it.

I now propose, Mr. Speaker, to say something on the question of protection. I think it is due at this time to inquire why the government is again in the twilight zone, why there has been another wobble. And I am going to tell hon. gentlemen in advance that I still believe in protection, that I still feel it is the only policy for this country, and that I know that it is the only policy that can be adopted if we are going to do what we ought to do—have some proper regard for the Canadian workmen. The first observation I make is this. Hon. gentlemen to my left, and the hon. member for Brome (Mr. McMaster) in particular, delight in selecting some item in the tariff and talking about the tremendous degree of protection that under it some manufacturer enjoys, and what a high protective tariff we have in force. Now, at the outset I desire to submit that we have not a high protective tariff, and, what is more, have not had for many years; that, on the contrary, the tariff instead of being high is low. But I also desire to submit this

—and I think I can carry at least the judgment of the hon. member for Brome, because when things are pointed out to him he generally thinks them over—I venture to say that not one hon. member can take any item in the tariff and say, "That constitutes the protection which the particular industry manufacturing it enjoys." Why do I say that? Here again I think I can carry the judgment of the House. A duty, to be protective, must represent that percentage of net protection which the industry enjoys. Can there be any dispute at all about that? I do not think so; I do not think that even the hon. member for Brome will dispute that statement. But running through all the items in the tariff we have other charges, charges which are made upon this activity and upon that activity, protection carried along to those who supply the raw materials, machinery and the like of a particular industry. There is no question about it. As a matter of fact to-day, having regard to the change that has been worked as the result of currencies out of line here and wages out of line there, increased by a great multiple since the war, we have to-day this condition under our tariff: It would be in some instances cheaper to manufacture in the United States, close our factories here, and ship the goods in. I am going to give just one illustration; more can be given. The duty on manufactured brass is 10 per cent. If the ordinary course was followed, my hon. friends who are so fond of low tariff and free trade ideas would at once say, why can brass not be manufactured in Canada when there is a protection of 10 per cent to the brass manufacturers? Well what are the facts? Copper is the chief raw material entering into the manufacture of brass. Our copper mines enjoy a protection of one and a half cents per pound on their copper. During the greater part of last year copper sold at as low as 13 cents a pound. Here you have the spectacle of a so-called protected manufacturer paying 15 per cent on his raw material—because that is how it works out: one and a half cents per pound which sells at 13 cents a pound—and his whole protection is 10 per cent. Yet some people wonder why workmen are walking the streets! We used to have two brass factories in Canada. One is closed altogether and the machinery gone to the United States where it is doing useful work and giving employment to American workmen; the other has been bought by a large American brass company.

Is it not ridiculous to talk of this tariff being a high protective tariff, when you look at the figures of our imports? If it was such a high protective tariff, these imports could not be coming in; but they come; they persist; they are always with us. I am going to give the House a few figures as to our imports.

Mr. McMASTER: Before the hon. member proceeds further, would his proposal be to put up the duty on brass, or take down the duty on copper?

Sir HENRY DRAYTON: The hon. member (Mr. McMaster) asks what my policy would be, but I think he understands it by this time. I think he understands that that policy is such a measure of protection as will enable all Canadian industry, all Canadian mines, to function. If, for instance, we came to the conclusion that the large copper mines of British Columbia would, without the duty, be obliged to close, then that duty should stay.

Now, Mr. Speaker, I desire to give the House the figures as to our imports, and I do so with a view to showing how perfectly absurd it is, in view of the facts, to talk about Canada's high protective tariff. In 1924 we imported $173,795,660 worth of fibre textiles and textile products; of wood and wood products and paper, $40,976,833; iron and its products, $173,473,503; non-ferrous metals and their products, $43,432,617; non-metallic metals and their products, $155,899,393; chemicals and allied products, $26,088,041; miscellaneous commodities, $48,205,401, a total of $661,871,448. To this total have also to be added imports which have to do with things other than manufactures; which have to do with our own national production. And after all, are not the farmers of Canada such a people that they ought to be able to have and hold the market in their own country? So I add the imports of agricultural and vegetable products, amounting to $186,468,685, and of animal products, $45,026,734.

Mr. HOEY: Before the hon. gentleman departs from that, has he worked out the proportion of these goods that have come in free or upon which drawback has been paid?

Sir HENRY DRAYTON: No, I have not. That has nothing to do with the point I am making.

Mr. HOEY: It might show that there are some things upon which there is a very high tariff.

Sir HENRY DRAYTON: I do not think so. It might show that certain commodities which are supposed to come in under a tariff got the benefit of the drawback. But I am not interested in that at the moment. I am

not dealing with the question whether there is or is not a tariff on the commodities imported; I am considering the plight of the Canadian worker who is having his job taken away from him—that is all. Now, I admit at once that there are certain things we have to import. We have to import, for example, raw cotton, raw wool, raw silk, crude rubber, and so forth.

Mr. McMASTER: Will the ex-minister pardon me if I interject a question? He has said that we have to import raw wool. If the protective principle is sound, why should we import raw wool when we have plenty of sheep in this country?

Sir HENRY DRAYTON: I will answer that very quickly. There is not much question about it. As matters stand to-day there is practically no protection to the Canadian producer of wool. This country has boundless acres of magnificent pasture lands. Take, for example, British Columbia or, on the other hand, New Brunswick. The climate of British Columbia is such that those rich, soft wools, with the long, delicate fibres can be produced there. But we have not enough sheep. We have to import wool until we get sheep. We have to import wool until agriculture is put upon a proper basis in this country so far as wool production is concerned. It is just the same with coal: we have to import coal too. Why? Because so far Canadians have not solved the question of coal production and distribution. We ought to be able to get along without importing coal, but we cannot do it as yet; and the same applies to raw wools, in the absence of the production of wool crops in our own country. We ought to have them, but we have not. We may get them, and I hope we will. We also have to import iron ore, and will continue to do so until Canadians learn how to handle their iron deposits. So that a large number of our imports are quite essential. Some of them I hope will not be essential for so very long. I give the House those essential imports: raw cotton, $28,391,278; raw wool, $6,837,781; raw silk, $2,745,482.

Mr. FORKE: What is the duty on these commodities?

Sir HENRY DRAYTON: I wonder why the hon. member asks that question, if it is not simply to make for delay? What I am trying to point out is that the result of our importing a great many of the commodities that we do import is to take the day's job and the bread and butter away from the Canadian workman. I stated some exceptions; those exceptions included raw cotton, and the hon. gentleman asks what the duty is on raw cotton. What is that to do with it? We do not grow raw cotton in this country. The question has nothing at all to do with the point I am making. In addition, we import crude rubber, $8,047,394; coal, $88,432,856; iron ore, $5,437,604. We have in all, including these main raw materials which we must import, $139,892,395 worth of imports. Over and above these items—which are the main items—there are other commodities which we also require. I shall not take the time which would be required to give these in detail. But we require, for example, in the chemistry trades raw material, we require in the furniture trades raw material; and instead of taking up a lot of time I am going to assume that we have to import a sum much larger than the fact is, and I am going to suggest to the House that for the purposes of our consideration we should take these other raw materials at the total of $53,574,472, which would make a total for raw material necessities, and the like, of $193,366,867, leaving a balance of $700,000,000, which, as I desire to submit and do submit, with a policy the basis of which would be a proper regard for the Canadian workingman could be kept in this country. That is what protection means. To-day $700,000,000 is being sent out of Canada, on the one hand, and on the other: "Get out of here," to hundreds of thousands of workmen who cannot get jobs. The idea of protection is to change that state of affairs.

Just let us see what that would mean. Mr. Speaker, sixty per cent of the cost to the consumer is looked upon to-day as a low percentage which labour enjoys, and which represents wages. In many trades, trades where you have a finished product right down the line, a product involving several trade changes, the percentage can be easily shown to be eighty per cent; but I desire to be under the mark, and so I take sixty per cent. Let us see what sixty per cent of $700,000,000 means. Let us assume that the worker would get on an average $1,200 a year for his work. That means that if this $700,000,000 were kept in Canada we could give employment to 350,000 workers who have left Canada to seek employment or are idle in Canada. I will go a step further.

Mr. ROBB: May I ask my hon. friend in what regard has the tariff as between Canada and the United States been changed from the tariff he himself administered?

Sir HENRY DRAYTON: So often in this parliament we are met with the pitiful plea:

You too. Why, it is the only answer which we had all day the last time this matter was discussed—"You too." But does my hon. friend think that conditions are not changed? Does he not know the cumulative effect of mass production? Does he not know what the present dislocation of foreign trade and commerce is? Does he indeed not know that Canada under his administration is the only civilized nation in the world to-day that is reducing her tariff? Surely he knows it. Does he not also know this, that in business what is a fair price to-day may be an absolutely unfair price to-morrow? Does he not know that in connection with many articles where you have a fixed rate per pound, the multiplication of prices, with the protection given at a low price, becomes almost a premium on imports into this country to-day? Surely my hon. friend knows that.

I was going on to point out that, given four dependents for each worker, you would have in Canada to-day a population with means of subsistence and livelihood of 1,750,000 people; that is on the basis of last year's imports only. Is that worth while? Is it not worth while trying to keep Canadians in Canada? Is there any governmental responsibility to the worker? Well, if there is, there is only one way that has been found out so far in which that responsibility can be discharged, and that is by the country seeing to it that to the fullest extent possible the worker shall have the benefit of his own markets.

But then, of course, hon. gentlemen say—the hon. member for Brome (Mr. McMaster) has said it, and said it often in very eloquent terms and phrases—if you don't buy, you can't sell. He nods his head in complete approval. Now if goods can only be paid for by goods—

Mr. McMASTER: Or by service.

Sir HENRY DRAYTON: —or by service, and my hon. friend again nods his head. Now I am ready to admit at once that there is something in this ism;—there is something in every ism, but isms do everything except hold water. They are about the best things in the world for academic debates. Academic reasoning will run through them all.

Mr. McMASTER: Has not that principle been demonstrated in the findings of the Dawes commission, and in the finding that reparations are very difficult to get from Germany because Germany can only pay by services or goods?

Sir HENRY DRAYTON: Not at all. What my hon. friend does in his suggestion is to say: Here is Germany, who either cannot or will not pay. Germany who has got rid of all her ready assets and placed them in other countries, her investments and the like, cash gone and investments in other countries. How can she pay to-day except by goods? But to say that the ism as an ism is supported by that is to fly, as all these gentlemen who are fond of these theoretical doctrines do fly, absolutely in the face of history and all fact. It simply is not so.

Just let us take some facts, instead of isms, and see how it works out. Cuba—it is not so many years ago that Cuba got her independence, so I do not go back very far in this case—Cuba for the ten-year period commencing with 1908 had a large surplus of exports each year. For that period her excess amounted to £106,365,060.

Mr. McMASTER: She would be paying a lot of interest on capital invested from abroad.

Sir HENRY DRAYTON: I am so glad to get that admission from my hon. friend. That is something I have striven so long and so vainly to get from him. Why, with that admission, the whole of this hollow pretence goes. Do we not all know that Canada, like Cuba, is heavily indebted? It has been calculated—I do not know what the exact sum would be, nobody knows—it has been calculated by an authority that we pay out each year the enormous sum of $250,000,000 in connection with what might be termed this hidden trade, this hidden exchange; and when my hon. friend points out that that is exactly the same as buying goods he is very tardily recognizing what is an absolute economic fact. My hon. friend now shakes his head; I trust he is not going to dispute that.

Mr. McMASTER: No, no; I have always recognized that.

Sir HENRY DRAYTON: I am so glad to have that admission because if that fact be recognized so far as Canada is concerned we can forget the ism entirely; forget entirely that we will have to go on importing in view of the large sum of $250,000,000 which we have to pay out each year.

An hon. MEMBER: Forget what ism?

Sir HENRY DRAYTON: That goods can only be paid for by goods. So far as Canada is concerned she would pay for them to a very large extent by the payments which she has to make.

But I am going to give my hon. friend the balance of the figures which he interrupted

me in stating. For the next six-year period from 1918 to 1923, the excess of exports amounted to £213,458,818, a surplus in sixteen years of £319,823,878 odd, representing an approximate sum of $1,500,000,000, over and above all goods that Cuba bought. Now the Argentine Republic for the same years. For the first ten-year period the excess of exports was £205,891,541, and for the next six-year period £137,748,550, making a total favourable trade balance of £343,640,091, an even greater sum. I am quite free to admit that one of the methods by which those large favourable balances were met in the case of Cuba and Argentine was that those countries, like Canada, had to meet interest coupons, had to pay debts, had to pay debt interest. Does my hon. friend (Mr. McMaster) wish to say something?

Mr. McMASTER: I did not catch the word "coupons" which my hon. friend spoke of.

Sir HENRY DRAYTON: Yes, interest coupons.

Mr. McMASTER: Those coupons would be attached to bonds issued by the country of importation and taken by the country which had invested the money abroad and had sent money there in the form of goods.

Sir HENRY DRAYTON: But that has absolutely nothing to do with the question I am now discussing as to the necessity of buying before you can sell. In the case of Cuba and the Argentine the figures are there and speak for themselves, and I must point out that both countries have a smaller population than Canada. If Cuba and the Argentine can do what I have described is there any reason why Canada—with an equally tremendous drain on her in the form of interest coupons—cannot do the same? My hon. friend (Mr. McMaster) is driven to this point that the only case where it is not necessary to buy in order to be able to sell is where you are a heavy debtor. Then your interest payments create the credit which permits of the importation of goods. My hon. friend shakes his head. I wonder whether I am to take that as in affirmation of the principle?

Mr. McMASTER: Most of your interest payments will be on something which you have imported from abroad, perhaps years before, and on which payments have been deferred. The interest payments that Canada is making to-day represent, in large measure, vast amounts of foreign capital which were invested in this country between 1900 and 1911.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: Oh, Mr. Speaker, my hon. friend will have lots of time—

Mr. McMASTER: We borrowed pretty heavily in the British market and created credits on which we bought goods from the United States when we were developing this country.

Sir HENRY DRAYTON: Mr. Speaker, I hope you will not look upon that as a speech from my hon. friend. I would like him very much to have the opportunity of discussing this question.

Mr. McMASTER: I did not want to have any misunderstanding in regard to what my hon. friend calls my "affirmation."

Sir HENRY DRAYTON: I do not object to my hon. friend making any speech he likes so long as he can speak again at the proper time. He has already spoken half a dozen times but I hope he has not exhausted his right to speak. I am going to develop the point which has been referred to in regard to the great importance of the interest coupons. What my hon. friend has stated as to the result of the railway debacle which existed in the ten years preceding 1913, is perfectly correct. My hon. friend shakes his shoulders but I am going to demonstrate the fact to him and if he is just as fair with me on that point as I hope he is going to be on another question in a minute, he will admit it.

I am going to invite my hon. friend to go to a country which is the greatest creditor nation of the world, the United States. There is a country that sells without buying very much; there is a country that is collecting the interest coupons of the world. She is not a debtor nation, she is a creditor nation. Let us see how the "ism" works out there? Well, the figures of the United States are progressive figures. For the ten years ending 1893 her excess of exports was $531,073,572; for the ten years ending 1903, $3,839,744,076; for the ten years ending 1913, $4,564,462,410; for the ten years ending 1923, $20,729,457,292. Let us apply our percentage for one minute and see what that means; let us apply the 60 per cent of the cost which goes to labour, low as it is. That means during the period mentioned that while the United States has taken out of all other countries the sum of $29,664,737,350 the workmen of the United States have been employed at the expense of the workmen in other countries with a resultant gain to themselves of fifteen billions of dollars. Is there any reason why anyone should wonder

4 p.m.

at the tremendous growth and the tremendous financial strength of the great republic? My hon. friends opposite will not say that that enormous balance has been met by the United States paying debts which she owes. Why, she is trying to collect debts.

How consistently Canada has worked to put her where she is! Let us come to that period of railway exploitation to which I was referring a moment ago. During the first ten years of that forty-year period our imports from the United States were $486,927,738. In the ten-year period ending 1903, they were $828,485,184. In the period of railway exploitation, Grand Trunk loans which smashed the property, transcontinentals, Grand Trunk Pacifics, Canadian Northern railways, the load of which to-day is bending our backs, how is that looked after? Our imports from the United States in the period ending in 1913 were $2,216,293,258. During the war period our imports rose to $5,986,957,558. We see where the world in general comes out as a result of the forty years' trading. Let us see where Canada comes out. The net result of the forty years' trading with the United States is an adverse trade balance for Canada amounting to $4,397,248,129. Was that not a remarkable achievement for a country of our population? Is it not remarkable evidence of—I am going to leave the naming of that action for the moment to the hon. member for Brome (Mr. McMaster). Let us see how much Canada helped the United States in the period of railway exploitation. In the period ending in 1913, the United States enjoyed the comfortable, favourable trade world balance of $4,564,000,000 odd and Canada accounted for no less than $1,303,000,000 odd of that enormous sum. Just think of it!—out of a favourable trade balance of $4,564,462,410, Canada accounts for $1,306,950,513. My hon. friend would think that sort of thing ought to go on; that it should be made still easier to exploit this market instead of something being done to keep Canadian money working for Canada. There is a great deal of it working for the United States. What we did in that ten-year period in helping to make the United States the world industrial colossus that she is, is indeed remarkable evidence of the resources and purchasing power of this people, but the thing can be done only at the expense of the purchasing power of to-day, and where is it? At the same time it is a monumental example of misapplied energy and wasted opportunity.

But there is another way in which this matter could be settled, and that is by gold imports. My hon. friend did not suggest that, and perhaps I had better come to it a little later on.

I would like the government to put this question to themselves: Is it not about time at least to try to secure some of this work for Canadian workers, some fairer and better share in the work of Canada for Canadians? What is government policy? Is government policy a policy which is to be a pro-Canadian policy or a pro-American policy? There ought to be a sharp difference between the two. Is there that sharp difference in the minds of some hon. gentlemen? The government, of course, could very well object to a Canadian answering this question: Is the government pro-Canadian or pro-American? They might very well say: Political bias, the desire for greed or something else renders you an unfair witness. The best way of judging policies is by their effect, and I am going to call as a witness, no Canadian, but expert American opinion. The United States Department of Commerce is a very well organized and complete department, and it has excellent publications which appear regularly. Its publication of November 3, 1924, has a great deal to say about Canada. It first reminds the reader that it is interested in extending his sales in our territory; that Canada affords the second best market for the American seller. At page 265 of this issue the article on the share of the United States in the foreign trade of Canada commences as follows:

> Economically and socially Canada may be considered as a northern extension of the United States and our trade with Canada is in many respects more like domestic trade than our foreign trade with other countries. The movement of industrial raw materials from Canada into United States and the return flow of a miscellaneous assortment of partly or wholly manufactured goods is not unlike a similar flow between the west and south, and the more industrialized northeastern part of the United States.

Here we have an expert, unbiased opinion as to the result of Canadian policies. This opinion is unpalatable in the extreme to any Canadian that thinks somewhat of his country, that sees in Canada, with her great resources and her virile people, a great nation of the future, strong and potential, if her resources are used for Canada and are not exploited by the foreigner, no matter who he may be, or for the benefit of other countries. Hon. gentlemen have all heard a great deal about the losses which this country to-day suffers from in the exportation of pulpwood at $10 a cord as against paper at $70, and they are familiar with the payroll that is lost to this country as a consequence. I

merely draw that matter in this connection to their attention. It is another confirmation of the correctness of this expert's opinion. I will give just one other case. Canada produces a very large share of the asbestos of the world. The hon. member for Brome (Mr. McMaster) nods his head in approval. I am gratified. It is true, she does. What does she get out of it? Exactly what this expert tells us. All we are getting out of it is simply the wage roll which the first rough operation provides. We are the providers of the raw material for our friends to the south.

Mr. McMASTER: Just as they supply the raw material for our cotton factories.

Sir HENRY DRAYTON: My hon. friend has great difficulty in making a point. In the minds of some hon. gentlemen, the fact that the United States supplies us with a little bit of raw material here and there is a sufficient warranty for this enormous inundation of imports. But that could never be accepted by the mass of the Canadian people. There is one thing however which the hon. gentleman forgets; he forgets that cotton is an annual crop while pulpwood is not and asbestos certainly is not. And this shows the reasonableness of most of the objections raised by the free trader. Here we have the suggestion that because the United States gets rid of a small portion of its annual crop, which it is quite anxious to dispose of, we should therefore send out in the raw state irreplaceable material which should be manufactured at home.

An hon. MEMBER: Won't pulpwood grow here?

Sir HENRY DRAYTON: If the hon. gentleman has some prescription whereby pulpwood may become an annual crop I shall be glad to know what it is, but until he produces it I will not discuss the question with him. Now, the United States tariff commission held an investigation into the asbestos factories and this is what they have to say on the subject:

> Known deposits of asbestos in the United States are entirely inadequate to supply domestic needs, and, although efforts are being made by the government to discover additional areas, it is probable that no very large deposit of the mineral exists in this country.
>
> At present our chief source of supply is Canada, which supplies fully 95 per cent of the total annual imports. The bulk of the imports from Canada consist of "mill" fibre, and the rest "crude" fibre. Imports from other countries consist wholly of crude fibre, and come in large quantity from southern Africa—Rhodesia and the Union of South Africa.
>
> Canada produces about 85 per cent of the total world output and exports about 90 per cent of its annual production to this country.
>
> The United States is the world's largest producer and consumer of asbestos manufactures. The total annual domestic production of asbestos textiles and manufactured textile products alone is estimated at from $60,000,000 to $70,000,000. This does not include the heavy asbestos products, such as shingles, slates, wood or lumber, paper and millboards, and pipe and boiler coverings, the production of which amounts to several million dollars annually.

In 1924 we exported to the United States $5,546,769 worth of raw asbestos and $994,500 worth of asbestos sand and waste. And that sum, considerably less than $7,000,000, is increased in the United States through process of manufacture to at least $75,000,000. Does any hon. gentleman think that this country with its exodus of population can afford to throw away a pay roll like that? How can anyone call it reasonable unless we proceed on the assumption that this country owes no debt whatever to its workers?

Then as to gold. In the ten year period ending 1893, the United States shipped out some $187,582,000 of gold more than she received, but in the next ten year period evidence of the payment of adverse balances by gold become apparent. The excess of gold received by the United States in this period was $98,088,000, in the period ending 1913, $86,698,000, and in the period ending 1923, $1,997,724,000. As a result, in these forty years when the United States has an excess balance in her world's trading of $29,664,737,350, she only receives in payment of this balance excess gold to the amount of $1,994,928,000. The war obligation of the Allies to the United States accounts for much more of the movement but a vast sum still remains to be accounted for. And there is another way in which payments can be made, which hon. gentlemen forget all about, and that is by debts, by loans, by the acquisition of property. That is how it is done, and it is also done by transfer of ownership. I saw a statement the other day, although I do not know just how true it is, that American investments in Canada were in excess of some $2,500,000,000. How does that come about? Why, it comes about as a result of these enormous adverse trade balances.

Mr. McMASTER: It has come about largely because the tariff enables the American manufacturer to come here and establish branch factories owned in the United States, whither the profit goes.

Sir HENRY DRAYTON: My hon. friend is very ingenious, but he is entirely wrong. The period in which that took place, a period of American expansion in building in Canada,

was not the period ending in the year 1913; my hon. friend will find that it was during the war.

Mr. McMASTER: It has been going on for the last twenty years.

Sir HENRY DRAYTON: Yes, but I am referring to the really big movement. After all, we might as well get down to rock bottom and deal with the situation as it really is. It is serious enough and we should try to get at the truth. What was really the cause of the big factories coming here? What for example brought the General Motors here? If my hon. friend wants evidence I will again quote an American authority from that same article. That great establishment was not completed here until 1921 or 1922, I forget which, and it was brought here in order that exportations could be made from the Canadian market so that they might get the benefit of the Canadian preference in Great Britain.

Mr. McMASTER: But that preference has existed only a very few years.

Sir HENRY DRAYTON: And I am giving investments that have been made within a very few years past. Now, the fact is this, that if our tremendous adverse balance does not account for these holdings it means something very much worse; for it is worse to pay for it by loans out of Canada than by factories established in Canada to afford Canadian workmen employment. I leave my hon. friend to take whatever horn of the dilemma he likes. I was helping him out, but I will take the argument his way. Let us say that the establishment of American factories here has nothing to do with the adverse balance, that they come as the result of tariff regulations.

Mr. McMASTER: The hon. member was dealing with investments in Canada; that was the question. I was pointing out that American branch factories had been induced to come here through tariff regulations; I pointed out that the tariff was responsible to a certain extent for that investment, whether it was a good thing or a bad thing.

Sir HENRY DRAYTON: I wonder what my hon. friend wants. I wonder if that is another grudge against the tariff. The whole effect is that we have got a tremendous adverse trade balance, which can only be paid for by acquisition by the Americans of great properties in this country, or by the floating of a large number of Canadian loans in the American market. I was just going to point out to my hon. friend how it is done. Hon. gentlemen, if they will take the trouble to look at the American Statistical Abstract, will find that at page 678 a singular compliment is paid to Canada; they will find that of all countries in the world Canada alone is named in connection with these issues. They deal with municipal bond issues in that great money market of the world as it is to-day and the form of the table is:

Municipal—Domestic
Canadian
United States Possessions

I have no idea whether we are so sandwiched there because we are regarded as more American than the United States possessions; but I do know that if the query was to be: Does the United States make more money out of Canada than it does out of its own possessions?—why, we would certainly have to come in front of them, for undoubtedly they do make more money out of the Dominion. So I submit that it is just about time that we gave serious consideration to this question. We have often heard it said that a nation cannot be both bond and free. This country is a perfect shandygaff to-day so far as its fiscal policies are concerned; it is neither one thing nor the other.

Mr. CALDWELL: Explain.

Sir HENRY DRAYTON: My hon. friend asks what is a shandygaff. I am afraid that if I ventured upon a definition it might lead to a discussion with the hon. member for Brome (Mr. McMaster).

Mr. McMASTER: No, we are agreed upon that.

Sir HENRY DRAYTON: Very good, everybody knows what it means. I want to say, Mr. Speaker, that no Canadian has the slightest right to blame the American people for this situation; we ought to admire them. That article, unpalatable as it is, was intended for the perusal of gentlemen who intend to further exploit this market. But the article is true, and being true, it ought not to be resented; on the contrary, I think that if the writer only succeeds in awakening this country, in making Canadians think for Canada, he is deserving not of the blame but of the thanks of the nation. Instead of blaming, we ought to extend to our friends to the south the sincerest expression of praise possible—imitation; we ought to imitate their tariff policy and the principles which they have so successfully put into effect.

There is another point that I desire to take up at some length, and it is an important one—I refer to the British preference. I realize, Mr. Speaker, that with conditions as

they are, with many thousands, yes, hundreds of thousands of our skilled workers to-day no longer with us, protection cannot immediately be put into operation everywhere and produce results at once. It will take time. You cannot create an industrial condition in a day, although you can destroy it in a very short time with ill-considered, ill-digested tariff resolutions tinkering with the foundation of your prosperity. But there is something which we can immediately look after. The British preference to-day is being used to the injury of the Canadian worker. Look at the position of the wool industry and of the boot and shoe industry. The British preference may be a great instrument in the hands of Canada at this minute. It ought to be used for the purpose of removing our tremendous excess purchases in the United States to the Mother Country and to Europe, putting them where we get our real market for our wheat and other products, and so aiding our ultimate purchasers' purchasing power and improving the position of every Canadian exporter. Sir Henry Thornton and other officials of the merchant service were examined before the committee on railways last session. The evidence which they gave, and there was absolutely no variance of opinion about it, was that the justification for high ocean rates on the eastern movement was that there were practically no loadings at all for the western movement, and that consequently the eastern movement had virtually to cover the cost of the round trip. Likewise we have a lopsided movement on land. We have a tremendous grain movement from the prairies, and we have also a tremendous movement of empty box cars into that territory to look after the grain movement. This absolutely lopsided condition would be very much counteracted if we were to transfer our excess purchases to Great Britain and the Continent so that to the fullest extent possible those box cars would go west loaded—or would run east loaded if the unloading was at Vancouver; in a word, with a balanced movement of freight infinitely more can be done in the reduction of freight rates than can ever be accomplished by a process of subvention, special privilege, or robbing Peter to pay Paul. There is no question whatever about it. There is the real economic grievance, and there is the remedy if we have the courage to apply it.

Mr. HOEY: Would the hon. member increase the British preference at the present time?

[Sir Henry Drayton.]

Sir HENRY DRAYTON: Mr. Speaker, I would have such a general tariff here as would leave lots of room to give Great Britain an opportunity for sharing these markets. And that sharing—let me be perfectly frank with my hon. friends—would not be at the expense of the Canadian workers. Because, as I see it, the first duty of this country is to the workers within her boundaries. But with the tremendous field we have to look after, the tremendous amount of excess purchases from our neighbours to the south, there is any amount of room to help British conditions.

My hon. friend (Mr. McMaster) is smiling at me. He is just thinking this—

Mr. McMASTER: I believe in reciprocity.

Sir HENRY DRAYTON: He is just thinking this—he has said it so often that I am going to say it for him, though not half as well, I know, as he would say it. Protection, he would say, will make the manufacturers inefficient. Protection will increase the cost of living. Protection will increase the cost of manufacture.

Mr. McMASTER: Hear, hear.

Sir HENRY DRAYTON: I thought I would get him going, Mr. Speaker. Protection, he says, would make our manufacturers unable to meet the competition of others in the export trade.

Mr. McMASTER: Hear, hear.

Sir HENRY DRAYTON: I am delighted to have my hon. friend's recognition that I so fairly express his views.

Mr. HOEY: —and bear heavily on the agriculturist.

Sir HENRY DRAYTON: Yes, and bear heavy on the agriculturist. Now, I think that completes the list. In the first place I desire to point out that it is extremely doubtful if protection does materially increase costs anywhere to-day. My hon. friend (Mr. McMaster) leans forward expectantly—I wait the blow, but it does not come. It does increase costs in the first instance, until the manufacture concerned can get going. But it is true that any country which removes local production and places itself in the hands of the foreign manufacturer will be exploited by that foreign manufacturer. I am going to tell my hon, friend, if he has not yet learned it by looking at the tariff regulations of every country except Canada, and to a certain extent except the Mother Country, that every country has realized it. While much was said about the

cost of agricultural implements in Canada, they were sold in Australia, where there were no factories, at a multiple of that sum, and so much was that condition felt in Australia, an agricultural country, that they put a duty on agricultural implements, if I remember rightly, of sixty per cent, so that they would be able to get home production and home competition. Again I am going to remind my hon. friend of something that he should not need to be reminded of. We had an up-to-date glass factory in Canada; I am reminded that it was at Hamilton. That glass factory was put out of business by competition from Belgium. Producers in Belgium sold window glass in this country at such a price that the Canadian factory could not continue. To-day the machinery is working in the United States, giving employment to United States workmen. And what has happened in Canada? The price of glass first came down, for the purpose of killing a Canadian industry, which was left defenceless by this government as a result of their repeal of the law as to debased currency; and when the job was done the price of glass went up and to-day it is greater than it was before the price cutting took place. My hon. friend should know that. But apart from all that, my hon. friend will not complain of protection as practised in England. I would say from personal observation and knowledge —yes, from the bills which I myself have had to pay—that the cost of living in England to-day is greater than it is in France. There you have the logical result of the application of my hon. friend's doctrines. It is a doctrine which does not care a bit about employment.

Mr. GARLAND (Bow River): May I ask my hon. friend a question? Is it not true that the difference between the cost of living in England and in France is due to the taxation imposed in England in an attempt to meet her debts?

Sir HENRY DRAYTON: My hon. friend is perfectly right. Direct taxation, according to hon. gentlemen here who are free traders, never hurts anybody—

Mr. FORKE: Nobody ever said that.

Sir HENRY DRAYTON: It is the indirect tax, the protective tax, which is such an evil.

Mr. McMASTER: Taxation always hurts, but it hurts worse when it is in favour of private profit rather than the public interest.

Sir HENRY DRAYTON: My hon. friend is now making a speech.

Mr. McMASTER: You invited it.

Sir HENRY DRAYTON: It is only another evidence of the manner in which one whose mind is sufficiently contracted by isms will approach the discussion of subjects of this kind—no consideration for the rights of a fellow man; no consideration for the rights of labour or for the national pay-roll. The whole truth of the matter is that the free trader, brought up and nourished on isms, is awfully solicitous about the workman who may have to pay twenty-five cents here or twenty-five cents there more than he thinks that workman ought to have to pay for a necessity of life, he is awfully anxious about that; but he does not care a snap of his finger for this problem: Where is the working man going to buy anything, even in the cheapest market, without wages? That is never thought of at all. Here is one of the reasons why living is so dear in England, and everybody knows it. Following out that principle of "never mind about employment," we see that labour that is fortunate enough to function to-day has strapped to its back the burden of 1,200,000 workers who unfortunately cannot find employment. There is the fruit of free trade. Go across the channel; just take the short trip to France and see what we find. Who will say that the land of the Mother Country is not good land? Who will say that her workers are not efficient? Who will say that her bankers are not capable? Who will say that her manufacturers, with their wits sharpened by "free trade, free trade, free trade," are not competent? Well, just take the little twenty mile trip to France and see the difference. On the one hand, doles, unemployment, want, plus a high cost of living; on the other hand, employment, plenty of it. Why, following the Armistice, and down to the first of January, 1924, France has received, provided with work and assimilated one and a half million immigrants. When I was there last summer she was receiving workers at the rate of 6,000 a week and there was still a lack of labour in the mines and for agriculture.

Mr. GOOD: Does my hon. friend attribute this wholly to tariff differences between the two countries?

Sir HENRY DRAYTON: It is the only thing I can see any difference in, except, of course, that taxation is lighter in France.

Mr. EVANS: May I ask a question there? How is France paying her national debt as compared with Britain?

Sir HENRY DRAYTON: We all know what the situation there is. She is not paying it.

Mr. McMASTER: If I did not pay my debts I would have lots of money to spend.

Sir HENRY DRAYTON: I wonder—

Mr. SPEAKER: If the hon. member who has the floor invites interruptions and is willing to answer any questions put, there is no objection, but such a practice may degenerate into an abuse. It seems to me that when an hon. member is addressing the House he should be given a free hand.

Sir HENRY DRAYTON: So far as I am concerned, Mr. Speaker, I assure you, I rather welcome the interruptions. I do not mind them in the slightest, but I bow entirely to your wise direction. Perhaps we have been having a little too much, but would you allow me to refer to the last interruption of the hon. member for Brome (Mr. McMaster). That hon. gentleman says he would have lots of money if he did not pay his debts. I wonder if the hon. gentleman really believes that France deserves that gibe?

Mr. McMASTER: I rise to a point of order. I implied nothing derogatory to France. I was endeavouring, perhaps improperly, by interjection to meet an argument which I thought was unsound. I am not going to interrupt again.

Sir HENRY DRAYTON: My hon. friend says nothing derogatory to France? What else were we talking about? If there be any sense in his remarks, it meant this surely: "If I do not pay my debts I will have money" was a reflection upon the country we were talking about as not paying her debts. Yes, it meant that, or it meant nothing. I would just like hon. gentlemen to attempt to visualize for one minute the position of France, and see what that wonderful country, the cockpit of the war, has done. Her forests and best countryside decimated and torn; 863,000 dwellings and erections of different kinds destroyed; 200 coal mines destroyed; 39 iron mines put out of business; the very soil so twisted and tortured as to be useless for agriculture; trees, disappeared, nothing left. Gentlemen talk about France's financial position. Why, what would they have? France over and above what every other country in the world suffered as a result of the war, over and above her tremendous war debts, over and above her tremendous losses, had a devastated countryside which represented a tremendous percentage of her whole production, the percentage running into staggering figures. What was she to do? What did it amount to? Over and above all other losses, there were claims of 130 billions of francs filed. Those claims were cut down. There were miles and miles of railway and railway bridges destroyed; highways and highway bridges, canals, locks, and the like, all gone. The material damage of public property, irrespective of churches and municipal buildings, that has been made good by France for public services alone on the 1st of January, 1924, was 20 billions of francs. Yes, and there was also paid at that time approximately 56 billions of francs for the restoration of all this property that was destroyed. I wonder how hon. gentlemen think that can be done? I wonder if that is a situation in which it is fair to say to France, "If you do not pay your debts, you will have lots of money." Why, France is out all that. It is a special charge against her, and she has to restore that damage before she can do anything.

Mr. IRVINE: I would ask, just for information, whether the hon. member knows if France deflated to the same extent as Great Britain, and if he thinks that would have any effect on the relative positions of the two countries.

Sir HENRY DRAYTON: The hon. gentleman is quite right. France could not deflate. France was put in this position, that she had to find the money to cover that enormous sum, and she has found the money to cover that enormous sum. It means a tremendous added financial burden thrown on the country. What was the first thing to be done under the treaty? France was to have her damages for destroyed property paid to her. She never got them. France making up her mind that she would again function, has spent all her money in reparations, and I wonder if any hon. gentleman honestly thinks that at the present time it would be decent, in view of the tremendous financial sacrifices thrown on France by reason of her special damages, to ask her, Why have you not started paying? But the hon. gentleman has carried me far from what I intended to say.

I am now going to give hon. gentlemen a few figures as to French tariffs, so that there will be no doubt as to what in France at least was thought to be the duty of the government to the French worker. There are two schedules in France; there is the minimum and the general tariff. I am going to

give the increases in the present minimum and general tariffs of France over the tariffs of 1913. These percentages which are worked out bring into them the coefficients which form part of the French system of customs taxation:

Article	Increase in Minimum Tariff per cent	Increase in General Tariff per cent
Finished aluminium..	200	700
Fine steel for tools..	160	600
Iron and steel wire..	300	900
Locomotive crank axles..	700	2,000
Prepared dyes (increases varying from)..	300	500
	650	1,400
Crude celluloid..	400	900
Ordinary window glass..	400	1,200
Linen yarns..	400	1,200
Cotton yarns..	350	1,100
Woollen piece goods..	300	1,000
Vehicles for commerce, agriculture and cartage..	500	1,500

These increases, Mr. Speaker, can be looked upon as very fairly characteristic. France maintains a very stringent policy of protection, and she does not stop with her customs tariff in that policy of protection. She uses embargoes. She would be horrified with our pulp situation for example, and with our asbestos situation. She either has an absolute embargo, or export taxes on hides and leather, wool, cotton, iron and steel scrap, copper and brass scrap, coal and coke, patent fuel, unworked fur skins and common woods. The whole idea is that France wants to get the additional pay roll which the fabrication of these commodities means to her if they are held in the country.

How has the plan worked? Look at the figures; look at the statistics showing the progress she is making; look at the great market France is working up for herself and the buying power of this market is measured by the number of workmen that have constant employment there in turning out their goods which she supplies. Take cotton piece goods. Hon. gentlemen know what a tremendous lead Great Britain has with respect to cotton. Well, France's importation of cotton piece goods which amounted to 240,000 quintals in 1919 dropped to 29,000 quintals in 1923, a reduction of 87 per cent.

Are her manufacturers being crippled, are they becoming inefficient, are they failing to meet the competition of the outside world, are they shackled by protection so that they cannot meet the costs of manufacturers in free trade England? Let hon. gentlemen consider these figures: Her exports to Great Britain in 1919 amounted to 2,116,000,000 francs, and in 1923 the total had grown to 6,155,000,000 francs. France sold Great Britain 14,000,000 francs worth of woollen goods in 1919, and in 1923 her sales of these goods amounted to 352,000,000 francs. Her export of automobiles grew from 12,000,000 to 165,000,000; her export of linen drapery from 101,000,000 to 760,000,000; of cotton goods from 30,000,000 to 109,000,000; and of wool and wool worsted from 24,000,000 to 92,000,000; of copper from 8,000,000 to 71,000,000; and—just imagine this, Mr. Speaker—her exportation of pig iron, steel and iron from 8,000,000 to 196,000,000 francs.

Mr. McMASTER: What was the value of the franc in 1919 and in 1923?

Sir HENRY DRAYTON: There have been fluctuations from time to time.

Mr. McMASTER: What was it in 1923?

Sir HENRY DRAYTON: If my hon. friend is not satisfied with the figures in francs I will give him the figures in weights. It makes no difference whether our yard stick is in francs or weights; French trade is advancing by leaps and bounds in spite of every single free trade theory in the world. Let me now give some figures in weights.

Mr. ROBB: I do not like to disturb my hon. friend in his argument but will he tell us what Great Britain did with the extra quantity of goods which she imported?

Sir HENRY DRAYTON: Every single million dollars worth of imports into England added just so many more English workmen to the throng of unemployed. You cannot at one and the same time support workmen in a foreign country and workmen in your own country. That is one of the elementary lessons I wish I could impress upon my hon. friend.

Mr. MEIGHEN: He sees it all right.

Sir HENRY DRAYTON: You cannot support your own workmen and the workmen of foreign countries at one and the same time. What has happened by reason of these important importations from France into England has been that the application of the dole has been extended and the number of unemployed increased.

Mr. HUGHES: How did Great Britain pay for those goods?

Sir HENRY DRAYTON: My hon. friend wants to know how they were paid for? I do not know by what theory he would provide for the payment, I do not know what kind of national policy he would suggest; but the

policy I would advocate would be a policy which would provide employment for the workmen of our own country.

Now as to aluminium: the whole export of France in finished aluminium amounted to 281 tons in 1921 and this grew to 903 tons in 1923. Again I ask, is France progressing? Well, the export of manufactured articles in 1923 exceeded the export of 1922 by 458,000 tons in weight and 3,900,000,000 francs in value. An added weight of 458,000 tons in manufactured articles in one year is a pretty wonderful accomplishment.

We all know, Mr. Speaker, the genesis of free trade. Free trade was introduced into England to ensure cheap labour. My hon. friend (Mr. McMaster) shakes his head. He might not find that in Cobden but if he disputes the statement he has not read aright the briefs of those materially interested in the question—that the free trade movement in Great Britain was forced by the efforts of the manufacturers who were interested in getting cheap food so that there would be cheap labour. Then, Mr. Speaker,

5 p.m.

I desire to point out that the whole underlying principle of free trade is the operation of the law of supply and demand. Does my hon. friend (Mr. McMaster) agree with me there, or not? I invite a contradiction if there is any room for contradiction. My hon. friend remains mute, and as he is not at all slow in speaking up on other occasions I take it that there is no room for dispute in this instance and that my statement is correct: Free trade is based upon the free operation of the law of supply and demand, of buying in the cheapest market and selling in the dearest, and so on. Very good. I desire to point out to to some hon. gentlemen opposite and to hon. gentlemen to my left something the significance of which they have as yet failed to grasp—that the principles of free trade in application to-day are as dead as the dodo; they do not exist; they cannot exist. Does the law of supply and demand apply in Great Britain? Theoretically?—yes; absolutely?—we all know it does not. The law of supply and demand is the law to regulate prices, costs. At least sixty per cent of the cost of production is labour. Every hon. gentleman knows that the time is long past for considering labour as a commodity to be judged and weighed by the law of supply and demand.

Mr. EVANS: What of agricultural exports from Canada?

Sir HENRY DRAYTON: My hon. friend is making an interruption which, perhaps, I shall have time to deal with later on, but not at the minute. I want to follow out in the free trade area what the real situation is, and we might as well try to get the real situation. Everybody knows that wages to-day in Great Britain are paid on a scale fixed either by trade unions, or by agreement, or by arbitration. They know that they are rates which are fixed, having at least some regard, as much regard as is possible perhaps, to the right of man, the right of the worker. Just imagine what remuneration would be to-day in England if the law of supply and demand were to operate on the labor market! What kind of pay would those who might get a job receive if the law of supply and demand were to operate in a market with a surplusage of one million two hundred thousand workers? It cannot apply at all. It is impossible to apply the principle of free trade in any country and maintain for any length of time a higher standard of living than the standard of living of your competitor. In the long run, you get down either to the standard of living of the lowest, or you will do what the Mother Country is doing to-day —you will be living to a large extent on your accumulated profits of past years.

I must apologize for the length of my remarks. They are far longer than I intended to make them, but we have had some very interesting interruptions. Might I return to the budget itself, having regard to its concrete proposals, and I am not going to detain the House very long in connection with them? There is not very much to talk about in this budget. There is a good deal of room in it for moralization . There is any amount of room for wondering how it is that, under a policy of no protection for anything which is to be used for development, production, instruments of production, we can have a protective duty on coal. There is certainly room for wondering whether it ever again could be said that the policies of the government and of the Progressive party are similar and synonymous except, of course, when the local Liberal orator is on the western platform. Can it really again be said? I had an idea that the gentlemen from the west called for free trade in coal, claiming that it was an essential of life, that it had to come in. There is some room for moralization there. There is, however, some room for hope even for this government.

Mr. HOEY: The hon. member is optimistic.

Sir HENRY DRAYTON: I agree with my hon. friend, there is very little, but I want to be fair. After all, for the first time since its

inception, this government has listened to the cry of labour. I wonder, however, if the awful conditions which prevail in Nova Scotia must prevail elsewhere before this government will do what its bounden duty is to do, to provide work for Canadian workmen. Is it to be necessary that the pain, suffering and turmoil of weeks and months must be gone through in order that that which ought to have been done long ago shall be done? If so, it is a melancholy outlook for labour in this country. The great difference between the coal worker, who is to-day to some extent recognized, and industrial workers who have already gone out of the country, is that while the latter had the money to pay for their fares and get out, the coal worker did not. That is the real difference, and if the industrial workers had not had that bit of money to get out with, we would have had to-day in the industrial towns, a repetition of what we see to-day in Nova Scotia.

Turning from the workers, I ask: Is it to be necessary that companies must have strikes of this character; should have to treat their employees in the way in which these miners have been treated in order that they may get some share of their own markets? Now that a little opening has been made, perhaps some of the light of reason may filter through, and the government, before it is entirely too late, will try to do something for Canada. In connection with the coal duty, my hon. friend does not do his act with justification. He seems to be ashamed of it. He does not submit this as a protective duty, as an increase in duty—this is just something that is going to make customs collections easier! That is all that is in the budget. I admit at once it is much easier to multiply a given sum by fifty than by fourteen, and this is easier just to that extent. What does it mean?—I think my hon. friend's figures are a little out. In 1924 our imports of slack coal from the United Kingdom were 200,427 tons. The duty on that was $20,047. Under the new tax the duty of $20,047 will become $60,165. We imported from the United States 3,823,753 odd tons, and the duty on that amounted to $535,325. That duty under the new tax becomes $1,911,876. In other words, there is an increase in the duty on American slack coal of 275 per cent, and in British slack coal of 250 per cent. The trouble with my hon. friend is that when he starts looking after somebody he does not apply any principle generally; he makes a little dab here or there in the name of suffering humanity. We imported in bituminous coal from the United Kingdom in 1924 69,399 tons on which there was a tax payment of $24,365.07, and from the United States we imported 11,544,184 tons on which there was a tax payment of $6,118,417. In the English rate of duty there is no reduction at all; it is the same now. But in the American rate, that payment of $6,118,417 will become $5,772,092 odd. In other words, there will be a reduction as regards bituminous coal of $346,325.52, as a result an increase in taxation of $1,416,668, with reductions noted making a net increase of $1,070,344.

There is another point to which I wish to refer for a moment, and that is the export of power. In my opinion the action of the government in this connection is ill-considered, and we have no statement of reasons which would enable one to come to any conclusion as to what actuated the government. I am rather afraid that the government has been moved by two things both of which I consider entirely wrong. Let me say in the first place that I am utterly and unalterably opposed to the further export of any electrical power from Canada, for it will not be so many years before we shall need it, and we know that we cannot get it back once it goes. Now, the tax in this regard appears fairly heavy, but that depends on the way you look at it. In most of the consuming centres of the United States, I think I am safe in saying, $36 a year per horse-power is considered fairly cheap, while the charge here is a mere fraction of that amount. Our rate could be doubled, trebled and quardrupled, and it would still pay the Americans in most instances to take power on that basis. But I am afraid that the government is preparing the way for an excuse which will enable it to consent to the export of power in large quantities. I would ask my hon. friend (Mr. Robb) if the government has not to-day applications for the export of power? I take it that his silence implies that I am right. It is common knowledge indeed that application has been made for an immense amount of power export, and I submit that it would be a crime against the country, under the shadow of this tupenny-ha'penny tax, having regard to present values, to allow one horse-power to leave the country. At any rate, it is something to which I am absolutely opposed. There is another angle from which we may look at the matter. Frankly, I am of the view that we should never have had any export allowed at all. But it was allowed under legislation, and rightly or wrongly the people who do business under an act that was law at one time have some right to consideration. And I submit that if anyone in this country is entitled to consideration in connection with the develop-

ment of electrical energy it is those who have developed it for themselves and given service. The Hydro Electric Commission of Ontario were obliged to enter into a contract with the American corporation that owned and controlled the development of the Niagara river on the Canadian side and which controlled the distribution of the system on the other side of the river, whereby they agreed to supply power at a very low rate. The rates in those days were absurdly low as compared with those that are now charged, and the mere fact that the hydro commission to-day has to supply power at those rates means a tremendous loss to it, a loss ranging probably from $120,000 to $180,000 a year, handling the power wholesale, and much more than that at retail. Now, the tax cannot be passed on under the contract, and this impost will simply mean an additional cost to every municipality in the province of Ontario which makes use of the Hydro Electric system. Why is this done? Is it done to injure public ownership on the one hand, or is it done, on the other hand, to facilitate the export of a whole lot of power which Canada in the comparatively near future will urgently require? I hope that the minister on giving the matter further consideration will withdraw that provision.

The minister has an interesting provision this year in connection with the dumping clause. I believe in protection, but I believe in a protection which everybody will enjoy alike; I believe in a protection which is passed upon by this House. I certainly am opposed to any measure of protection which will ask this House to abdicate its functions as a taxing power. I do not believe in a department deciding what the value shall be according to its own yardstick, and I want the minister to understand thoroughly that so far as we are concerned we want to-day to see some return to the principle of parliamentary responsibility rather than talking about it.

We ought not to have any dumping in this country; we ought not to have distress goods thrown on the public without benefit to the people. That only means that we are going to put out of business so many more Canadian workers without bringing down the general level of prices. My hon. friend is right in trying to do everything he can to prevent dumping, but I submit that the dump should be covered by some clearly expressed principle whereby this House will know what it is doing. There should not be a dumping clause enabling the valuation to be fixed by the department under regulations to be passed by the minister.

[Sir Henry Drayton.]

I apologize, Mr. Speaker, for taking up the time of the House at such length, but my task is pretty well finished. I have already spoken on the question of our debt, and I have pointed out the additions to it, as I see them. Again I point out that the addition of $100,000,000 is the only thing which can be deduced from my hon. friend's own figures and from the return of endorsements, if we are to be honest, unless we say, "We are not responsible for the railways, we are not responsible for our endorsations."

There is one other point I desire to refer to. We have debt on the one hand and taxation on the other—war taxation still going on without any reduction of our debt. We find that there is still a multiple of the sales tax which these hon. gentlemen found when they took office, and we also find that ever since their accession to power there have been heavy increases in the national debt. We find picayune taxes here, there and everywhere, nuisance taxes and the like, so that the House—

Mr. ROBB: But I would remind my hon. friend that we reduced taxes last year and took $52,000,000 less from the people.

Sir HENRY DRAYTON: My hon. friend did make some reduction, but, as I pointed out to him two days ago, the rest we got was by a slow process of strangulation; it was not got by any reductions made in taxation, it was got as a result of government policies stifling Canadian production and Canadian activities. The tax still stands. It is reductions in taxes that we want, and so that this question may be considered, Mr. Speaker, I beg to move, seconded by Mr. Baxter:

> That all the words after the word "that" be struck out and the following substituted therefor: "Conditions in Canada urgently demand reductions of taxation, especially of the sales tax and other levies which have been increased by the present government; and the House regrets that the financial statements now presented show no evidence of the economy necessary to make such reductions possible, but rather disclose an alarming increase in the public debt."

Mr. J. J. HUGHES (Kings, P.E.I.): Mr. Speaker, I believe it to be my duty to take part in this debate and to remove, so far as I can, some misconceptions and misunderstandings that seem to prevail in some quarters in regard to the trade conditions of the country as a whole and particularly in regard to trade conditions in the Maritime provinces. But before going further, I wish to make a very brief reference to the speech delivered by the hon. ex-Minister of Finance (Sir Henry Drayton) who has just taken his seat. The budget naturally contains a great

many official figures, and the hon. gentleman, while not questioning the accuracy of those figures, tried to draw from them different conclusions from those arrived at by the Acting Minister of Finance (Mr. Robb). It has been said that figures will not lie, but everybody knows that in the hands of a skilful manipulator they can be made to prove almost anything desired. The ex-Minister of Finance being a master mathematician plays very skilfully with figures and brings out some wonderful results. Still, with all his skill he did not seriously question any of the figures except those relating to the railway accounts. It must be borne in mind that two of the most prominent chartered accountants in Canada have declared over their signatures that the railway accounts as kept between the government and the railways are kept now exactly as they were kept when the hon. gentleman himself was Minister of Finance.

Mr. MEIGHEN: What difference does that make?

Mr. HUGHES: It makes a great deal of difference to the criticism of the ex-Minister of Finance.

Mr. MEIGHEN: It does not touch upon his criticism at all.

Mr. HUGHES: He had to meet that difficulty somehow, and he met it by saying he supposed he had been wrong. Well, I think I can leave that phase of the question there. The hon. gentleman seemed worried—perhaps that is too strong a word—he was concerned with the huge railway debt and with the large annual railway deficit. But is there a thinking man in Canada who is not concerned with the railway problem? If it were not for that problem we would be in a pretty good condition; we would be able to reduce considerably both the national debt and taxation. We cannot get clear of the railways. We are all demanding an up-to-date service, and we are getting it. What is the railway problem? When the hon. ex-Minister of Finance was speaking on that subject I asked him what he would suggest that the people of Canada could do to remedy the railway situation. He answered that he did not know, but that when he had the figures for the past calender year he perhaps would be able to answer the question. But surely there must be some answer to the question, and I think the government, as announced by the Minister of Railways (Mr. Graham) some days ago, has a policy that may perhaps bring results, if the heads of the two great railway systems can be brought together with the Minister of Railways and with perhaps leading business men and men of railway knowledge. Then surely some policy could be evolved that would cut out railway duplication to a very large extent, reduce railway operating costs, and at the same time give the people a sufficient railway service.

Mr. LADNER: Would the hon. member favour the Shaughnessy plan?

Mr. HUGHES. I would favour any plan that would bring results. In the early part of the session the right hon. leader of the opposition (Mr. Meighen) put a resolution on the order paper which he was very anxious to discuss before the budget would be introduced, because, I suppose, it embodies the platform upon which the Conservative party intends to go to the country at the next general election. I presume, therefore, that the right hon. gentleman would not object to having that resolution or the principles of it considered during the discussion of the budget.

Mr. MEIGHEN: Cannot give it enough consideration.

Mr. HUGHES: Because it cannot be reached in any other way during the present session. The Montreal Star stated that the ideas in the resolution were stolen or otherwise obtained from the hon. member for St. Lawrence-St. George (Mr. Marler).

Mr. MEIGHEN: I hope that will induce the hon. member to support it.

Mr. HUGHES: No, that makes no difference. If that statement on the part of the Star is correct, or even partly correct, and if this resolution is the joint production of these two hon. gentlemen, then all I have to say is that there are at least two hon. members of this House who are woefully lacking in knowledge respecting the trade conditions of the provinces on the Atlantic seaboard. As that resolution may be supposed to contain the principles of the platform upon which the Conservative party intends to go to the country at the next general election, I presume the subject matter was submitted at all events to the leaders of the party before it was adopted and published. I presume also that the hon. member for St. John and Albert (Mr. Baxter) saw it and approved of it, and if that is correct then there is a trinity of innocents abroad, as regards trade conditions in the provinces where confederation was born.

Mr. MARLER: The hon. member has made some very startling statements to this House. He has even intimated there was certain collusion in the matter to which he refers. Let me tell my hon. friend that if he made any such assertion it is wholly untrue.

Mr. JACOBS: He intimated there was theft.

Mr. HUGHES: I simply quoted a statement which appeared in the Montreal Star, a very well known newspaper in Canada. I am not sure I quoted the exact words, but I know I gave the sense of them. The Star simply stated that the ideas in the resolution which stands in the name of the right hon. leader of the opposition (Mr. Meighen) on the order paper were contributed in some way or another, by collusion or co-operation—I think co-operation would be the better word —with the hon. member for St. Lawrence-St. George. It may be altogether untrue, but if so the Star is to blame.

Mr. MARLER: I assure my hon. friend that there is no co-operation at all.

Mr. HUGHES: Then the Star is a very unreliable newspaper. I already had some idea along that line, but now I am confirmed in it.

Mr. HOEY: Perhaps they were communicated by telepathy.

Mr. MARLER: The hon. member does not understand what humour means.

Mr. HUGHES: Was the Star really making fun of my hon. friend when it made that statement?

Mr. MARLER: I think so, yes.

Mr. HUGHES: Or my two hon. friends? Then I am not acquainted with the humour of the Montreal Star.

Now, Mr. Speaker, I will take the case of Prince Edward Island, not because it is the smallest province in the Dominion, and the smallest in the Maritime provinces, but because it is the province with which naturally, I am best acquainted. All the producers in that province are farmers and fishermen. We have some professional men, some business men, and I suppose we have a few politicians. We have to sell the products of the land and the sea in the markets of the world wherever there is a demand for them; we have to take the money we get for these products and purchase in central Canada, at a price enhanced by the protective tariff, the things that we have to buy. We sell our pork products, such as bacon, ham and shoulders; also, very largely, our cheese, butter and eggs in Great Britain. We sell our fish and potatoes in the United States, in the West Indies and in Cuba. Potatoes are to us very largely what wheat is to the farmers of the prairie provinces. Our soil and climate are admirably adapted to the production of potatoes. We sell hay, grain and potatoes in Nova Scotia; we sell hay, grain, potatoes and live stock in Newfoundland. We sell our potatoes largely in the Cuban market, particularly since the Fordney tariff came into operation. That tariff being so high, half a cent a pound, it practically shut out our export to that market of low priced potatoes. Our farmers did not whine or did not come to Ottawa to look for any favours; they simply adapted themselves to the changed circumstances. The United States tariff, being a specific tariff, does not bear so heavily on the high priced article, and as there was a large demand in the United States for seed potatoes our farmers changed their method of production and produced potatoes for the markets of the southern states, where the farmers have to change their seed every year. They must change it every two years in order to get any results at all, and they must change it every year in order to get satisfactory results. It is to these markets that I have enumerated, the open markets of the world, that we have to go with our products, and as I have already said, we have to buy what we need in the markets of central Canada at an enhanced price. We cannot sell in central Canada anything that we produce, with few exceptions —perhaps a few dozen eggs occasionally in Montreal, or a few cars of potatoes in central Canada; that is all. The farmers of this part of Canada are our competitors in the small markets in St. John, New Brunswick, Halifax, the Sydneys, and particularly in St. Johns, Newfoundland. A few years ago steamers leaving Montreal for St. Johns, Newfoundland, carried hay, cattle, grain and other farm products at the same price they charged for carrying them from Charlottetown, which is about half the distance. At the present time there is a little difference in price but very little. Now we can never hope to get into this market in central Canada because the farmers in this part of Canada can supply, and more than supply, the cities and towns here, and that condition of things will remain for many, many years to come, because as the hinterlands of Ontario and Quebec are opened up for cultivation the production here will more than take care of the demand in this part of the

country. That being the case, we in the Maritime provinces having to compete with the farmers in this part of Canada, what advantage would it be to have the railway rates reduced? If the railway rates are reduced on products coming west, they must naturally be reduced on similar products going east, and the competition would be all the greater unless the local railway rates were correspondingly reduced. For these reasons protection never was, never will be, and never can be, of any advantage to the farmers and fishermen of Prince Edward Island.

Mr. MARLER: I do not see why you should base your policy for Canada on the policy for Prince Edward Island.

Mr. HUGHES: We should not treat any part unjustly.

Mr. MARLER: Treat them all fairly.

Mr. HUGHES: My hon. friend from St. Lawrence-St. George (Mr. Marler) has a policy that he calls a balanced policy, and I will have a few words to say in regard to that later on.

Mr. MARLER: You are not paying it a terrific amount of attention.

Mr. HUGHES: Well, I am very pleased at the attention my hon. friend is paying to me.

Now let me refer to Nova Scotia. The industries of that province are farming, fishing, mining, and lumbering. I do not know that I have mentioned them in the order of their importance, but that really makes no difference. Nova Scotia has, in addition, some small manufacturing industries some of which at all events I know are doing well, but which I need not mention. I do not think Nova Scotia raises enough farm products for her own use, because she buys grain, potatoes, hay and some dairy products from Prince Edward Island. I think she also buys similar products from New Brunswick, and possibly some from Quebec. Fishing is a very important industry in Nova Scotia, and Nova Scotia has a market for her fish in the United States of America, in the West Indies, in Cuba, in Porto Rico and in South America. Her fish is marketed on the open markets of the world.

A few days ago I read in the Montreal Gazette, a very respectable paper, an editorial to the effect that a market must be found in central Canada for the fruit and fish of Nova Scotia. Mr. Speaker, it is discouraging, it is distressing to read in a newspaper of the standing and respectability and supposed knowledge of the Montreal Gazette such arrant nonsense. The only fruit that Nova Scotia produces in any quantity is apples, and they are the best apples in the world probably; they are at all events excellent. She sells all her apples in Great Britain. As a matter of fact, we in the Maritime provinces import apples from Ontario. You will find apples in the markets of Nova Scotia and of the other Maritime provinces from Ontario and even from British Columbia. Yet we are told there must be a market found in central Canada for Nova Scotia apples.

We are also told that a market must be found in central Canada for Nova Scotia fish. Nova Scotia is supplying that market now. Do you know, Mr. Speaker, how much it takes of the catch of the Maritime provinces to supply the central markets of Canada? Not more than 4½ per cent. In other words, we can catch fish enough in the Maritime provinces in two weeks to supply the central Canadian market for fifty-two weeks. And yet the sapient editors of Montreal, Ottawa and Toronto papers tell us we must find a market in central Canada for fish from the Maritime provinces.

There is another commodity in Nova Scotia that is produced in large quantities, and that is coal. A few years ago the people of the Maritime provinces, and I think the people of Canada thought the coal mines of that province were an asset to that province, and perhaps to the whole of Canada, a provincial and a national asset. But a great many people are changing their minds on that subject. Coal for domestic consumption has become so dear in the Maritime provinces that it is beyond the purchasing power of many of the people in sufficient quantities to keep their houses reasonably warm in winter. It was not always so. Before the war, coal was sold on the cars at the mines in Nova Scotia at $2.90 per gross ton, which is equal to $2.60 per net ton. It has now more than doubled in price. A few days ago a representative of the mines in Nova Scotia was here, and he told us that since 1913 the rate of wages in the coal mines had increased by 92 per cent. The rate of wages and the actual wages may be two different things, but so far as the coal operators are concerned, perhaps they may be the same thing. But the salaries and other overhead expenses did not increase, or at least should not have increased in the same ratio. Therefore the increase in the cost should be less than 100 per cent; I do not know how much less but

it should be less. But, as I have already stated, coal has more than doubled in price. Coal from Nova Scotia was sold in Montreal last summer at $6 per ton. It would take between seventy and eighty cents to bring that coal to Montreal from Nova Scotia by water, we will say seventy cents a ton. Therefore the price in Nova Scotia would be $5.30. But the trade in Nova Scotia was charged $6.87 per ton on the average for the same quality of coal. Now assuming there was a fair profit on the coal sold in Montreal there would be an excess profit over the coal sold in the Maritime provinces of $1.57 or we will say $1.50. There are over one million people in the Maritime provinces, and the consumption of coal per year per head of the population there is about one ton. Therefore the people of the Maritime provinces are paying over a million and a half of dollars a year in excess profits for the support of the coal miners, and of that amount the people of Prince Edward Island are contributing about $140,000.

Mr. GOOD: May I ask my hon. friend if he has noticed the claim made by the miners in the Maritime Labour Herald that coal can be produced now at the pit mouth for a little over $3 per ton?

Mr. HUGHES: No, I have not seen the Maritime Labour Herald and I am not aware of any statement which it has made. I am giving facts here of which I have personal knowledge.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. HUGHES: Mr. Speaker, when the House rose at six o'clock, I was referring to the very high price of coal to the consumer in the Maritime provinces. I had mentioned the fact that it was costing the consumer in the provinces by the sea at least $1.50 a ton more than it was costing the consumer in Montreal and vicinity, and that this would amount to $1,500,000 to the people of the Maritimes. In other words, those engaged in the other industries of these provinces, the farmers, the fishermen and the lumbermen, who are getting no benefits whatever from the state, are paying about $1,500,000 a year for the support of the coal mines. The remedy that the leader of the opposition (Mr. Meighen) or the hon. member for St. John and Albert would suggest would be to increase the duty, to increase the price of coal, to add to the burdens of the other industries of these provinces. I know—and I may, perhaps, be reminded of it—that the present government a few days ago increased the duty on slack coal from fourteen cents to fifty cents a ton. There was an anomalous situation in regard to the duty on coal. There was no justifiable reason why there should be such a difference between the duty on slack coal and that on round or screened coal. I myself, as a free trader, would have preferred to see the duties reduced more on the round and screened coal, but most of us cannot get all we wish to have in this world. Slack coal is largely consumed in the St. Lawrence market. Many people in this part of Canada are continually crying out for more protection, and so if they get a dose of their own medicine, it will, perhaps, serve them right. They will then realize how it tastes. That is the situation in regard to duties on coal, but it is not the whole case in regard to the management. A few days ago I read in the Halifax Herald a letter from Colonel Cantley which was published in several papers in the Maritime provinces. Colonel Cantley is a well known citizen of Canada, a director of the British Empire Steel Corporation, a former director of the Nova Scotia Steel and Coal Company. He stated that the coal mines of Nova Scotia were being ruined by bad management. He stated that when the Nova Scotia Steel and Coal Company joined the British Empire Steel Corporation, they had surplus liquid assets amounting to $9,000,000, and that large surplus had disappeared in a few years. He stated further that those connected with the Nova Scotia Steel and Coal Company, who were instrumental in promoting the merger, had obtained lucrative positions in the merger, and he made other statements which I will not mention because I wish to let the officials of the British Empire Steel Corporation wash their own linen. He further stated that transportation and tariff conditions existing at the time the letter was written would be sufficient to enable the Nova Scotia Steel and Coal Company, if it could obtain a separate existence again, to take its place as a prosperous and a dividend paying enterprise. The fact of the matter, if we look at the whole situation, is that the coal mines of Nova Scotia under the present management, instead of being a provincial and national asset, have become a provincial and national liability. Moreover, they have become a festering sore on the body politic and the body commercial, and this sore must

be lanced to the bone and the bone scraped if necessary. If by reason of the physical formation of the coal mines of Nova Scotia, or if for any other natural reason they are not able to produce coal at a profit without state subvention, then it would be better, in my opinion, to forget that we have coal mines in Nova Scotia. If as Colonel Cantley suggests, a good part of the trouble is due to incapable management or worse, the remedy is obvious, but the state should not be called upon to make good the losses. The sooner all the industries of this country are given to understand that they must begin to stand and walk on their own feet, the better it will be for the Dominion of Canada.

Let me say a word or two about New Brunswick, and I speak with modesty in the presence of members from that province, and from Nova Scotia. I speak also subject to correction by those hon. members. The industries of New Brunswick, and all the conditions in that province, are similar to those in the two sister provinces. Farming I suppose is the chief industry in New Brunswick, I presume that lumbering comes next and then fishing. The people of New Brunswick have to sell their products just where the two sister provinces must sell theirs, and the same market and the same conditions largely prevail throughout these three eastern sections of the Dominion. The people of New Brunswick must sell the products of their lumbering industry, which is a very large business, either in Great Britain or in the United States in competition with the rest of the world. They sell a little in Prince Edward Island and perhaps a small quantity in the province of Quebec. But although all the industries of that province must meet the competition of the world, the people are obliged, as we are obliged, to go to the central provinces and buy what they need in the way of boots, shoes, clothing, farm implements, furniture, shelf hardware and numerous other necessities at prices enhanced by the protective tariff. And in the face of all this we heard this afternoon from the ex-Minister of Finance (Sir Henry Drayton) a speech in which he moved a resolution in accordance with a motion now on the order paper standing in the name of the leader of the opposition to the effect that what the country needs is more protection. He advises us to increase the price of everything that the people must buy and so increase their burden; in other words, he wants us to tax the whole of the people for the benefit of some of the people.

Now what are the wrongs of the Maritime provinces about which we have heard so much lately? I have read everything I could find on the subject but I have not yet seen a list of those wrongs nor any definite concrete proposal for their cure. The Conservative papers that feature these wrongs generally wind up with a statement something like this—"Everybody knows what our wrongs are, or they are well known at Ottawa, and a remedy must be found". It is generally supposed that, if more imports came in through Maritime province ports and if more exports went through them, the provinces on the Atlantic would be benefited in consequence. Well, there is no doubt about the fact that the cities of St. John and Halifax would be benefited by such through traffic, but such through traffic would not bring any great advantage to the Maritime provinces as a whole. I do not want for a moment to minimize the advantages of such trade, but I do not want our people to be disappointed at the result nor do I want anyone to think that this particular proposal will remove all our troubles. As a matter of fact the government more than two years ago introduced a resolution the adoption of which resulted in over 99 per cent of the imports under the British preference coming through Canadian ports. The delegation that came here from the Maritimes a few weeks ago requesting such legislation were surprised to find that the government more than two years previously had anticipated their wishes. Their want of knowledge is not to be wondered at when we remember that the hon. member for St. John and Albert, the Conservative leader from the Maritimes, when speaking on the Address called upon the government in tones of thunder to wake up and do something for the Maritime provinces. The hon. gentleman seemed to be oblivious of the fact that it was he who had been asleep in the cave with Rip Van Winkle, because the legislation he was asking for and so vehemently demanding had been passed two years previously. The delegation while it was here passed a resolution asking the governments to equip the ports east and west to take care of Canadian exports and imports. Well, the present government has certainly done a good deal in that direction; in fact, it is sometimes criticized for doing so much for the large places as to be unable to take care of the smaller ones. I want to point out the significant fact that the resolution which the delegation presented to the government was almost a copy of a paragraph in the Speech from the Throne which had been read to parliament some time before and

which was an outline of the policy the government intended to follow. Yet the leader of the opposition in criticizing the Speech from the Throne declared it to be nearly all water, the rest of it being indigestible, while the Conservative leader from the Maritime provinces was of the opinion that it contained only a few scrappy sentences which nobody could understand: he thought it should have contained a policy suitable to all Canada. But the Maritime delegation thought so much of the Speech that they copied it when preparing a resolution which in their opinion would be a policy suitable for the whole country. That was a cruel reply to the national leader and the Maritime leader of the Conservative party.

Let us for a moment consider the wrongs of the Maritime provinces which are now receiving so much attention, and let us see if we can what they are, and when and how they originated, and how they can be cured. If we can diagnose the case correctly the cure will almost suggest itself; and I will venture this assertion that there is not an intelligent, thoughtful honest man in the Maritime provinces—

Some hon. MEMBERS: Oh, oh.

Mr. HUGHES: Wait a moment. There is not an intelligent, thoughtful, honest man in the Dominion of Canada who will now say that, if the people of the Maritime provinces had been told in 1864, in 1865 or in 1866 that within a few years after their entry into the confederation pact the customs duties would be doubled and trebled, confederation would have taken place. Therefore the introduction of the so-called and the miscalled National Policy was the beginning of the wrongs of the Maritime provinces.

Mr. MEIGHEN: Is the hon. gentleman complaining about the trebling of the coal duties?

Mr. HUGHES: I have stated what I thought of the coal duties.

Mr. MEIGHEN: I did not catch that.

Mr. HUGHES: Had the hon. gentleman been paying attention he would have heard what I said in that regard, and I do not intend to repeat myself.

Mr. LOGAN: Coal is only on revenue tariff basis now.

Mr. HUGHES: The question may be asked, if my statement is correct, why did your people not show greater opposition to the introduction of the National Policy? And that question is a fair one. My reply is that we were cajoled, we were deceived, we believed the statements that were made to us. We were told that the intention was to support the infant industries, the idea being that when the infants grew to manhood, which would be only in a few years' time, they would more than pay us for all that they had cost us. We were told also that the introduction of this policy would develop the central provinces and that we in the east would find a market in those provinces for all that we produced. That idea has been held up so often. The golden fleece was just behind the western horizon, it was almost within our reach; but we were finally told that the National Policy would be only a weapon, and a strong weapon, to obtain within a few years reciprocity with the United States. Our people knew how they had prospered under that agreement between 1854 and 1866, and they were willing to undergo almost any temporary loss and disadvantage if thereby they might obtain that great boon. We know now to our sorrow that there was not a particle of honesty or sincerity in those promises, and I fear the "old party" is pursuing a similar course to-day.

You may ask me, Mr. Speaker, why it is that it is only within recent years that we have come to emphasize our wrongs so much. I will try to tell you. Before the war Europe was in a position to buy many of our products and pay good prices for them, and a high tariff had not made it so difficult for us to trade with the United States. The war changed everything. Europe could no longer buy in anything like the same quantity or pay the same prices for our products, and the Fordney tariff had made it more difficult for us to trade with the United States. In addition to that, the war had left us a colossal debt and a terrible load of taxation. All these burdens were thrown upon us at once, we could not carry them all, and we cried out in our agony. Before the war we could carry the burden of protection and live; after the war we cannot carry all these burdens and live. That is the condition in the Maritime provinces. Will anybody say that a cure or a remedy for this condition of things is more protection—higher taxation—an increased burden? Well, yes, there are some men who would say that—and they are credited with sanity and good intentions!

Now, what can the government do to help us? Not very much. I am one of those who do not believe that governments can help the people very much in trade matters.

I think the greatest help the government could give to the people of Canada would be to leave them alone largely and let them trade as and how it appears to themselves proper. The government can do very little to restore the markets of Europe. I think perhaps they are trying to do something in that direction now, and I hope they will succeed. Perhaps the government can do something, perhaps they can do nothing, to bring about better trading arrangements with the United States. I know the government would be willing to do anything and everything in their power to that end. The government can possibly do something to bring about better trading arrangements with the British West Indies and Cuba. They have that matter under consideration, I believe they will do everything in their power to effect that betterment, and I think that already they have made some progress.

There is one thing more the government can do: they can remove or reduce the protective tariff. It should be brought back to something like what it was when we entered confederation. But there are lions in the path, there are many difficulties that will be hard to overcome. The selfish and protected interests will not give up their special privileges without a struggle, and they are a power in this country. In this part of Canada the population is dense compared with other parts, capital is concentrated, organization is easy, and the wells of information can be poisoned at their source. I think it was Lincoln who said that his country could not continue to exist half slave and half free. In my opinion our country cannot continue to exist half slave and half free, and economic and commercial slavery is as bad as, and sometimes worse than, physical slavery. But, we are told protection has greatly benefited central Canada. Perhaps it has, although I have my own opinion about that. I sincerely believe that protection is the fruitful mother of inflation and deflation. It attracts capital and labour to some industries that could not exist on their own merits. This artificial stimulation makes for overproduction, glutting of markets, deflation of prices, stoppage of work and unemployment. Then comes a demand for more protection —larger doses of the medicine that produced the trouble! But let us admit for argument's sake that protection actually benefits Ontario and western Quebec. If it does, then I say in the name of all reason and fair play why should not the communities that receive the benefit pay the price? There are many ways in which this could be done. The municipalities that wish could remit local taxation and bonus industry. The provinces could do the same thing. This in my judgment would be fair and equitable.

Now I want to refer once more, and in a friendly way I hope, to my hon. friend from St. Lawrence-St. George (Mr. Marler). He has what he calls a balanced policy; and the Montreal Gazette and the Montreal Star praise it highly. To me it appears to be largely in accordance with the resolution on the order paper standing in the name of the leader of the opposition (Mr. Meighen).

Mr. MARLER: Not entirely.

Mr. HUGHES: Then perhaps it is a better policy?

Mr. MARLER: A much better policy.

Mr. HUGHES: All right. I think it corresponds to some extent with the speech made by the hon. ex-Minister of Finance (Sir Henry Drayton) this afternoon.

Mr. MARLER: My hon. friend has not read my address on the subject.

Mr. HUGHES: Well, Mr. Speaker, this is called a "scientific tariff". I suppose it would be a sort of jack-pot by which everybody would get out exactly what he put in. Such a tariff can be conceived as a picture in the mind, but I venture the statement that it would be beyond the power and wit of man to devise and operate any such tariff policy; I go further, I think it would be beyond the power of angels. But supposing such a tariff were devised and operated, what good would it do? When everybody was through would he not be just where he started? Well, he would not be exactly where he started; he would be out at least the cost of devising and operating the thing. I read a few days ago in Le Soleil an article which brings out the idea that I have been trying to present to the House, very much better than I am able to do it. The article reads, in part, as follows:

> To be worthy of the name, protection as a policy ought to be applied to the interests and well-being of society as a whole and not to the interests of the few. It ought to embrace all the professions, and all who fall within the categories of commerce, wholesale and retail; of all workers, whether they are engaged in stores or offices; of all women and children for whom the necessities of life are procured—provisions and clothing. In a word, protection ought to be for all classes of society. This provides a problem which cannot be solved in modifications of the tariffs of one kind and another, however important they may be.

In other words, protection to be fair, is an impossibility. We have heard it stated

on the other side of the House, particularly by the hon. member for Vancouver Centre (Mr. Stevens), the hon. member for Fort William and Rainy River (Mr. Manion) and several other hon. members, that Canadians cannot compete with the pauper labour and the inflated currencies of Europe, nor can they compete with the mass production of the United States.

Mr. STEVENS: May I just correct my hon. friend slightly? We say—at least I say—that Canadian labour should not be asked to compete with the low standard of living and the depreciated currency of Europe.

Mr. HUGHES: Canadian labour—

Mr. STEVENS: Should not be asked to compete. I do not say that Canadian labour has not the ability, but I say they should not be asked to compete with the low standard of living in Europe.

Mr. HUGHES: Well, "Canadian labour" is a very wide term. Most of us are labourers. If we cannot compete with the pauper labour of Europe or with the mass production of the United States, who in the world are we going to compete with?

Mr. MANION: Compete with each other; compete with our own producers, as is done in Germany, the United States and other protected countries of the world.

Mr. HUGHES: There is a people to the north of us called the Eskimos. I think we could compete with those fellows.

Mr. MANION: My hon. friend could, anyway.

Mr. HUGHES: We could stand up to that bunch and tell them to do their worst.

Mr. CARROLL: Not in the winter time.

Mr. HUGHES: Well, I will venture to say that the statement is not true. The people of the Maritime and prairie provinces are competing with the world in what they produce, and the people of the central provinces or of this part of Canada are not so helpless and so useless as their hopeless friends in this House would make us believe. Why, it was only last session that the hon. member for Brantford (Mr. Raymond) in eloquent and classical language, told us that the manufactured products of that city were to be found in every country of the civilized world. He told us they were to be found on the sunny slopes and the waving grain fields of the Argentine; on the fertile veldts of South Africa; in the intensively cultivated countries of Europe. They were even to be found in the republic to the south of us. Only a few days ago I saw it stated in an authoritative publication—I think it was the prospectus of a company—that in every country of the world where the saw milling industry was carried on the machinery of the Waterous Engine Works of Brantford was to be found. Now, what the people of Brantford can do surely other cities and towns in Canada can do.

Mr. MANION: Would my hon. friend permit me just a remark? I would like him, if he would, to ask the hon. member for Brantford (Mr. Raymond) at the first opportunity what the conditions are now in that city. I am told they are worse in Brantford than in any other city in Canada.

Mr. HUGHES: That was not the condition last year.

Mr. MANION: But there has been another year of this government since.

Mr. HUGHES: There is an industry in this part of Canada engaged in the manufacture of cream separators and dairy utensils. It is not protected at all, and I am credibly informed that it is the only industry in this part of the country that is running night and day. It sells its products in the United States. It has learned to stand on its own feet; it has learned to develop its business without depending on the state; and what that industry has done and other industries in central Canada have done I think the whole of them or most of them might do. But the conditions in central Canada are not what the hon. member for Fort William and Rainy River (Mr. Manion) would have us believe. The manufacturers of Canada are not in the deplorable condition that has been suggested. At least they appear to be making good progress, because the trade returns tell us that fifteen years ago, of the total exports of Canada sixty-three per cent were raw materials and that the manufactured and partly manufactured comprised only thirty seven per cent, whereas last year the raw materials exported were only forty-three per cent while the manufactured and partly manufactured rose to fifty-seven per cent. So the manufacturers seem to be holding their own and doing as well as other people. Our exports of manufactured and partly manufactured goods, which in 1922 amounted to $303,000,000, rose in 1923 to $364,000,000 and in 1924 to $415,000,000, and at the same time the imports of manufactured and semi-manufactured goods have steadily declined.

This goes far to prove that the manufacturers are well able to export increasingly large quantities of their products and at the same time to take care of the home market to a greater extent every year. Why, then, should there be such a demand for higher protection, which means heavier burdens upon all the people and particularly upon the people in the farming, fishing and lumbering districts; particularly upon the people in the Maritime provinces? Has the time not arrived when these burdens should be removed or reduced?

A few weeks ago I read in the Ottawa Journal an article which expressed great sympathy for the grievances of the Maritime provinces, but it wound up by telling us that we must not lean too heavily on the railways or on the people of the central provinces. Now, I desire to tell the esteemed Journal that the people of the Maritime provinces do not want to lean upon anybody or anything. If the Journal will get its friends to stop leaning on us, we will be delighted to call the leaning business off, and let by-gones be by-gones.

We are sometimes asked to look at the great prosperity and development in the United States that followed the Civil War, and the protectionists say that such prosperity is due to the policy of protection. There could be no greater fallacy, and he must be a shallow thinker who believes any such thing. The United States is prosperous in spite of protection, not because of it. It is prosperous because of its geographical position and formation, because it is a compact, self-contained, and self-sufficient nation, producing within itself everything, or nearly everything, necessary for man's use and benefit, and principally because it is the largest free trade area in the world. Free trade among the states of the American union is equal to and perhaps more than equal to what free trade would be in Europe. There is no other country in the world where protection can do less harm than in the United States, and per contra, owing to our geographical position and formation, there is no other country in the world where protection can do so much harm as in the Dominion of Canada. Protection, in this country, is bound to be sectional in its effects, and is bound to give rise to deep-seated unrest and dissatisfaction. When the delegation from the Maritime provinces was here a short time ago, Mayor Murphy of Halifax was the spokesman, and I want to call your attention, Mr. Speaker, to a statement he made. The language of that statement is guarded, perhaps diplomatic, but there is no doubt about its meaning. Here it is:—

> Privileged as I am to speak for the city of Halifax and the province of Nova Scotia, I do not hesitate to say that there is a gathering opinion there that conditions cannot longer continue; and that if after proper study at the hands of those entrusted to investigate the situation from every angle, it is found, for geographical or other reasons, that we cannot be made a prosperous partner of the Dominion under our present fiscal arrangements, then no objection can be raised or ill-will incurred it we, as a matter of self-preservation, ask that we be permitted to deal with whatever markets we can, relieved of the restrictions which now surround us in this regard.

In other words, they asked for the privilege of buying in the markets where we are obliged to sell without being penalized by high customs duties when we buy in those markets. We would rather trade with our brothers of Canada if we could do it, but we cannot. They simply cannot buy what we produce, and as I have already said, we have therefore to go to the markets of the world and sell what products we have at any price we can get, take what we receive for it, and then go to the markets of central Canada and buy what we want. We are obliged by legislation to do that.

Mr. GOOD: Is secession the remedy?

Mr. HUGHES: I think I will pass that over. I want to call your attention, Mr. Speaker, to the fact that this statement of Mayor Murphy was tumultuously applauded by the whole delegation, and it means that if protection is to be the policy of Canada, the Maritime provinces will insist on being allowed to buy where they are obliged to sell without being penalized by high customs duties when they do so. Another delegate mentioned the word secession, and the Prime Minister sternly rebuked the idea. Perhaps it was his duty to do so, but the Prime Minister is too intelligent a man, and too good a sociologist, not to know that rebuking an effect will not likely either remove or cure the cause; as a matter of fact, perhaps open discussion would be a good safety valve; the removal of the cause would, of course, be better.

I will give you, Mr. Speaker, and the House my opinion of the situation, and it is this: If the Conservative party should be victorious in the next general election, which is not likely, but if the selfish interests and trade restrictionists of central Canada should organize and use the devices that are sometimes employed in elections, and if the major portion of the press should be so short-sighted or so selfish, or so approachable, as to lend its aid, and if when elected the party

should carry out its promises and give the tariff screw a few turns upwards, in my opinion the end of confederation would be in sight. The prairie provinces would not, in my opinion, stand for it, and the Maritimes could not.

The emigration that is now taking place from the provinces fronting on the Atlantic, which is all too large, would then become an exodus. The stream that is now a rivulet would then become a river, because all hope would be abandoned. I will therefore appeal to my fellow-countrymen in this part of Canada to consider the situation carefully before deciding to make permanent a policy of injustice upon other parts of Canada.

The men who introduced the so-called National Policy may have been sincere and honest in their day, but we know now that they were mistaken, and if confederation ever comes to an end the introduction of the National Policy was the first step in that direction. The second step, and a very long step, was the rejection of the reciprocity agreement in 1911. That was a crime against the people of the North American continent; it was a greater crime against the people of Canada, and a still greater crime against the people of the Maritime provinces. It was an utter denial and repudiation of all the Tory promises, pledges and professions of the previous thirty odd years, and the means employed to win that election were as vicious as the end was bad, and should therefore never be forgiven by the people of Canada.

To be condemned to wander in the wilderness for forty times forty years would not be sufficient punishment for the great betrayal of 1911.

Mr. ROBERT FORKE (Brandon): Mr Speaker, in commencing the few remarks that I propose to make, I would like first of all to express my regret at the absence of the right hon. Minister of Finance (Mr Fielding). I am sure we are all sorry that he is not able to be back with us and take his accustomed place beside the Prime Minister on the other side of the House.

I have listened with a great deal of attention and pleasure to the speech that has been made by the hon. member who has just taken his seat (Mr. Hughes), and I think perhaps he has relieved me of some of the remarks I would have made along the lines of protection and low tariffs or free trade.

I also want to call attention to some remarks that were made this afternoon by the ex-Minister of Finance (Sir Henry Drayton), who I am sorry is not in his place, in connection with France and the condition that country finds herself in to-day. It struck me while he was speaking that if he thought seriously and just realized what the world conditions have been during the last few years he might perhaps see some relation between those conditions and the policy which he advocates—the policy of high protection, of one country building up high barriers against trade with another country. Everyone, I think, who has studied the causes of war and what leads to war, will acknowledge that it has a great deal to do with what may be called trade influences; and just as long as we have economic warfare between the nations of the world just so long will there be danger of actual warfare. But once people begin to trade with each other, once there is an exchange of commerce between one nation and another, an atmosphere of good will is created and the chances of war are very much diminished. That is about all I have to say in connection with the remarks that were made by the ex-Minister of Finance. Those remarks were a repetition of the arguments that we listen to here, day by day, month by month, as to what we should do to remedy existing conditions—just a little more protection, we are told, and everything will be lovely—everything will be all right. I am surprised at the barrenness of the suggestions that are being made from that part of the House.

Now, I want to say a few words in regard to the budget that was brought down by the hon Acting Minister of Finance (Mr. Robb) the other day. I think, perhaps, that budget reflected to some extent the conditions that exist in the country at the present time. Things are not very satisfactory. We have not progressed just as rapidly as we would have liked during the past year. The budget, upon the face of it, bears the impress that things are not very satisfactory; and I think in commencing that I might characterize the budget as I have seen it characterized in the press—as a stand-pat budget, adopting the position "just as you were" and really leaving us in exactly the same position in which we found ourselves at the commencement of the year—no progress, nothing changed, we are left in the exact position we have been in during the last twelve months. I am sure that the position of the country has been emphasized quite sufficiently by hon. members to my right. Sometimes I am surprised that they have so little faith in the capabilities of the people of Canada and in the country itself. I for one am not prepared to say that things are satisfactory—far from it—but I

do not for a moment suppose that they are quite as bad as we are continually hearing; unemployment everywhere and nothing but destitution and want in this great Dominion of Canada. I am quite prepared to admit that things might be better, but conditions are certainly not as bad as they are depicted by some of the members sitting to my right who have spoken this session. I agree with the hon. member for Kings (Mr. Hughes) that even in Brantford to-day conditions are not so deplorable as they are represented to be. I think the Prime Minister in his speech on the Address, at the beginning of the session, made the statement that things were better in Brantford than they had been for a number of years, and he also pointed out that the duties upon farm implements had been reduced. When we take that into consideration, and when we find that industries have been benefited by a reduction in the duties upon the implements which they produce, I am sure there should be no hesitation in travelling further along that line.

I also want to say, Mr. Speaker, that the financial statement given to the House does not reflect exactly and faithfully the conditions of the country at the present time, nor our financial standing either. First, I wish to say a few words in regard to the different methods of book-keeping that are practised by successive governments. Let me explain that in discussing this matter I speak as a plain man who has no knowledge of accounting; but it does seem to me that there should be no difficulty in the government making up the accounts in such a way that at the end of the year, the ordinary man, the man in the street, who after all represents the great majority of the people of this country, should be able to form some idea, a correct idea, as to the national finances. We had the spectacle here the other day of the Acting Minister of Finance presenting a statement purporting to show what the finances of the country actually were, and almost immediately afterward the ex-Minister of Finance getting up in his place and stating conclusions directly the opposite. If we have that conflict in the House of Commons what will the situation be out in the country? How are the ordinary people of Canada going to know whether we have a surplus or a deficit as a result of last year's administration of the country? I think, Mr. Speaker, that these positions are intentionally assumed. It is done for a purpose; one side wants to make things look just a little better than they are, and the other side wishes to represent them as just a little worse than they appear to be.

Mr. ROBB: My hon. friend will at least give us credit for having taken less money from the people, fifty-two millions less money.

Mr. FORKE: I am not going to do any injustice to the Acting Minister of Finance, or even to his critic, in saying that the statements they made were not true.

9 p.m. I have no doubt that what both gentlemen said was true; but they have such a way of manipulating figures and presenting them, putting them in different places and under different headings, that the result is to confuse the ordinary man; and when these gentlemen make their statements the ordinary man on the street, as I have already said, is no wiser than he was before.

Mr. JACOBS: Will the hon. gentleman tell us what the right figures are?

Mr. FORKE: Well, I am going to try and give you a few of the conclusions I have come to. I have already said that I have not much knowledge of accounting, but I have endeavoured to draw what inferences I could from the statements that were made in the House the other day.

Before going any further let me say that I noticed that the only thing which had brought an increase to the revenue of the country was the income tax, and we are told there has been an increase in the revenue from that source of $2,350,000. I wonder what that means; I am rather surprised at it. We are told that the country has not been prosperous, that we have not been travelling along the lines of progress just as rapidly as we would have liked to go, and on the other hand we are informed that the revenue from income tax is increasing.

Some hon. MEMBERS: Hear, hear.

Mr. FORKE: Hon. members may applaud but I should like to know the reason for this. We had no explanation from the Acting Minister of Finance when he brought the budget down; perhaps we will get it at some time in the future.

Mr. CARROLL: The country is more prosperous.

Mr. FORKE: Is it more prosperous? I hope it is true but I "hae ma doots" as they say in Scotland. There are several possible explanations. It may be that the wealth of the country is getting into fewer hands, that there is more wealth and also more poverty in Canada—that may be the explanation of the increased revenue from income tax. If that is true the fact is to be deplored; we do not want that condition

in Canada. I have often made the statement in this House that I believe the policy that we have adopted is leading towards that condition—that we will have wealthy people and that we will also have poverty. What we want in Canada is moderate wealth widely distributed and a large population fairly well-to-do; that is the condition that I would like to see prevail in this country. However, I should like at some time to get an explanation from the Acting Minister of Finance as to what he thinks is the reason that more income tax is being paid in Canada under present conditions than was paid in previous years. It is undoubtedly true that the people of Canada to-day are very much concerned about the magnitude of our national indebtedness. There is no denying that fact. On the street, on railway trains, everywhere you go, you will find people expressing anxiety about our indebtedness and inquiring where this is going to lead us. There must be a stop put to excessive public expenditure some day; we cannot go on year by year adding to our national debt. There must be a turning around, or it does not require a prophet to see that some day in the future this will be disastrous. We are continually hearing about economy. I am almost afraid to mention the word in this House because it is so often mentioned, but I sometimes think that governments, very much like individuals, acquire the spending habit and they cannot get out of it. Consequently we go on year after year very much as we have been doing in the past.

As regards the financial statement, the minister claims a surplus of $5,823,162 for the year ending March 31 next. Included in this is $4,000,162 of accrued interest on Greek and Roumanian loans that have now been transferred from an unsecured to a secured footing. Does the minister claim that we have any more money now than we had before, that anything has come into the treasury by transferring this amount from one account to another? That is all it amounts to. The security may, perhaps, be a little better, but it is a stretch of the imagination to put down $4,000,162 as an increase in the revenues of the country during the year that is past and gone. I cannot understand that system of financing; but, as I said before, I am a plain man who does not know much about accounting, and perhaps there may be some other explanation. If we subtract this amount from the $5,823,162, it will still leave a surplus of $1,820,000. After all, this is rather a creditable showing. I know it was anticipated throughout the country that there was going to be a deficit. Everyone was looking for a deficit. I heard it on the street; I saw it in the newspapers, and now the Acting Minister of Finance comes down with a statement that we have a surplus of $1,820,000. That was, indeed, a very pleasing surprise, and I was delighted to hear members on the other side applaud when that statement was made. I wonder if this is true, and this is where I get into trouble again in trying to understand something of the finances of the country. I noticed, after the Acting Minister of Finance had spoken for some time and read a few more items, it came out something like this that we almost had a deficit of $13,000,000. I am unable just to understand this. The ex-Minister of Finance, after making a careful survey, had it this way, that our expenditure was $360,000,000 and the receipts for the year were $344,000,000, and he figured out a deficit of $16,204,000 on the year's proceedings. How is an ordinary man to understand exactly where we stand when we find the two financial authorities in this House so completely disagreeing in regard to conditions as they are?

There is another item to which I would like to call the attention of the House. The estimates for the year 1924-25 were given as $329,086,305.97. The minister states that the expenditures, when the year closes on March 31, will amount to $319,000,000. There is a difference of $10,000,000 between what the expenditures will be and what the estimated expenditure was at the beginning of the year. This is very interesting—a saving of $10,000,000. The government estimated that our expenditure in round figures would be $329,000,000, and now we find they are going to get through with $319,000,000. I hope the minister will give us some explanation how this $10,000,000 has been saved because, if he does, we shall get some lessons in economy. The government must have been practising economy when they got through with so much less than they expected to spend after a careful estimate of expenditures at the beginning of the year. If it should turn out that our expenditure at the end of the year was anything like as large as the estimated expenditure at the beginning of the year, we would have a deficit of about $7,000,000 instead of a surplus of $5,000,000. These are some of the difficulties that I have met in trying to understand the budget statement that was brought down the other day.

There were expenditures in connection with the Canadian National Railways. During the year the government guaranteed bonds of the Canadian National to the amount of $81,-

000,000 and the total obligations for the year amounted to apparently something like $118,000,000. These may be called contingent liabilities—that is the term used by the minister—not a direct liability of the country. But who owns the Canadian National Railways? The people own them and the debt of the Canadian National Railways is a debt that the people of Canada must pay some day. That is a fact that I feel no great pleasure in stating, but I do not see any use in trying to blind ourselves as to the facts. We may as well face them and see what our present financial condition is and try to remedy this state of affairs. That is about all I have to say at the present time in connection with the finances of the country. In commencing, I said that I was a plain man, not very well posted in regard to finances or accounting, but these are some of the deductions that I have drawn from the statement made by the Acting Minister of Finance. I hope they may be more favourable but these are what I believe to be the facts of the case.

In connection with the Canadian National Railways, there is a suggestion which I would like to make at this time. It is not original; it has been stated in this House before. I believe it would be in the interest of all concerned if the capitalization of these railways were written down to their actual physical value. I see no good purpose being served by carrying them on at a fictitious capitalization. It is discouraging to the management; it gives a false impression, and if the capitalization were written down, we would be in a position to know exactly the capabilities of our National railways. If the amount was reduced, it is quite possible that in a few years the fixed charges of $40,000,000 may be met by these railways. We all look with hope to the future, and expect the day will not be far distant when these railways, instead of being a liability, will be an asset to the Dominion of Canada. We have in this country two railways that, I think, we may be proud of in some respects. We have a good system in the Canadian National Railways. I hope all of us are proud of the Canadian Pacific. I would not for one moment have the idea go out that any of the members of this House had any hostility to the Canadian Pacific. Its progress, its prosperity, its welfare is as essential to the country as that of the Canadian National. It would be a catastrophe, a calamity, should anything happen to the Canadian Pacific Railway, but there are some suggestions that might be handed out to the managements of both these railways. This also is not original, but it would be a good idea if someone could get the ear of President Beatty of the Canadian Pacific and the ear of Sir Henry Thornton of the Canadian National Railways and intimate to them that it is time they were getting together and cutting down some of the extra expenses that are incurred through duplication of services on these two railways. This idea that these two railways have to continue cutting each other's throats, trying the one to beat the other in getting traffic and all that sort of thing, will not get us out of the dilemma in which we are to-day. I am certain that a great deal of saving, of economy, could be effected were the managements of these two railways to work together harmoniously to this end. I think the Canadian Pacific Railway would be quite agreeable. I am sure they are anxious to make as profitable a showing as possible and I think that both railways as well as the country would be benefited by some arrangement of this kind. If this could not be done then I should be inclined to pay some attention to the suggestion offered by the hon. member for South York (Mr. Maclean) that there should be an amalgamation of the two railways. This may look like a dream to-day but I want to tell the House that there have been suggestions made by the hon. member for South York in days gone by which, however visionary they appeared then, later became realities. It is therefore not without the bounds of possibility that the suggestion he makes in this regard may be an accomplished fact some day. One thing is certain, and that is that we cannot go on as we are doing at present. It has been suggested sometimes that the remedy lies in an increased population which would provide greater traffic for the railways. That is one solution. But it seems to me that the railways could be more economically operated than they are at the present time. At any rate the condition is serious and drastic remedies are needed; and the opponents of government ownership can get no satisfaction out of things as they stand now. Even if we sold the Canadian National railways, does anyone think for a moment that anybody would buy them at their present capitalization? They would be sold at their physical value and the country would still have to bear the burden in connection with that overcapitalization; it would have to pay the interest that accrues on the bonds that were sold to build them. So that private ownership will not relieve us from any of our difficulties in that respect.

I want to say a few words now in regard to the tariff. I think that the hon. member for Kings (Mr. Hughes) has possibly voiced a great many of the sentiments that I might express myself, and I question whether any of us could say very much on the matter that is new. This question has been debated so often from every angle that perhaps my own views have already been well expressed. However, I shall offer a few remarks in this regard. I have in my hand some correspondence between the Minister of Trade and Commerce (Mr. Low) and Mr. H. G. Nickerson, of Prince Rupert, British Columbia. This correspondence relates to the purchasing of cement. There is apparently a regulation in the Department of Trade and Commerce which provides that where a firm tenders to sell cement and an opposing company outside Canada also tenders, even under more favourable conditions, the final decision of the matter shall rest in the hands of the Minister of Trade and Commerce. He has the last say as to what the specification shall be and what kind of cement shall be used in the erection of any buildings or dry docks, as I suppose it was in this case. I do not intend to read the correspondence, which possibly will be referred to during the debate, but it goes to show that a very large saving could have been effected in the purchase of this cement had it been obtained from either England or Belgium, and it would have been of the very same quality as the Canada Cement Company was supplying. But these other tenders were not allowed; they were ruled out of the specifications. This kind of thing cannot continue. When a cement company in this country gets a duty of 8 cents per sack on its product it should at least be content with that degree of protection and should then be prepared to take its chance without other interference from the department or from any other source. I have mentioned this matter only in passing; the facts of the case are before us and I have all the correspondence between the minister and the company who seem to think they have some reason for complaint.

It was hoped, at least in this quarter of the House, that the present budget would show reductions on the necessities of life for the masses of the people. That I think was emphasized several times in this House last year. It was pointed out that while we were thankful for a reduction on implements of production we were even more anxious to see some reduction on the necessities of life for the great masses of the people, and we had expected that something would be done along that line during the present session. With the permission of the House I am going to quote a few extracts from some of the speeches made by the Prime Minister (Mr. Mackenzie King) in 1921. Some of these extracts I have taken from Hansard. For example, the Prime Minister declared that the guiding principle of his party would be to increase production and thus decrease the cost of living, keeping in view not only producers but consumers. On October 7, speaking at Halifax, as reported in the Halifax Chronicle, he said:

> On the implements of production, and on the necessaries of life the tariff should bear lightly. The home and its needs will be our first consideration in revising the tariff.

On March 13 at Moncton, as reported in the Daily Times, he said:

> Reduction of the duty on implements of production was vitally important, as was also reduction as far as possible of the taxes on necessities of life and the needs of the home.

At St. John as reported in the St. John Times he said:

> The tax on necessities of life should be light. Along those lines the Liberals proposed to revise the tariff.

I come now to Ontario. Speaking at Sarnia he said, according to the Times of November 2:

> The implements of production should be taxed as lightly as possible. The same applies to certain classes of necessities of life, food, clothing, etcetera, and the masses of the people should not be overtaxed on cost of food, clothing and other necessities.

At Sudbury he spoke along the same line. He advocated the removal of taxation as far as possible from implements of production, and he said that the necessaries of life must also be freed of taxation to the greatest possible extent. At Port Arthur he declared that the Liberal party stood for downward revision of the tariff, to bear lightly on necessities of life and implements of production.

At Pembroke, Gananoque, Calgary, Edmonton and numerous other places the Prime Minister stressed the fact that it was necessary to reduce taxation on the necessities of life. Now the cost of living has not been reduced. Will any hon. member say to-day that the cost of living in Canada is lower than it has been all along? It is not. And as I have frequently stated, Canada is one of the dearest countries in the world to live in. That is one of the sources of our trouble; it is the cause of depression in trade and business so prevalent now. I have declared time and time again that the cost of living is so high that the high wages that must be paid are reflected in an increased cost of production, so that the products of the factories cannot be sold

in competition with those of other countries where the cost of living is cheaper. Hon. members to my right talk about low standards of living in the Old Country. I would not put it that way; I should say that what is low in the Old Country is the cost of living. I question very much if the working people of the Old Land live at a very much lower standard than the working people of Canada to-day. It is a glib phrase to use "The low standard of living over in England," and I think we are inclined to exaggerate conditions there. Personally I challenge the statement, and I question very much if our operatives in Brantford, Toronto, Hamilton or any other manufacturing centre of Canada are living any better than the great mass of the working people in great Britain.

Mr. CARROLL: Will the hon. gentleman say that the cost of living to-day is as high as it was in 1921 when the right hon. Prime Minister was making those statements?

Mr. FORKE: Mr. Speaker, I think there is very little difference. Some things have come down in price, but the great mass of commodities used in the home are not very much cheaper at the present time.

Now, I want to allude to some of our western conditions, because I believe that prosperity in the west is reflected all over this Dominion. The products of that part of Canada must find a market outside. The arguments we heard in connection with the Maritime provinces apply directly to the provinces of the west. No system of protection under the sun can help the prairie provinces, and I would be inclined to say that a good many of the farmers in the central provinces are not very much benefited by protection. There are two factors to be considered in the prosperity of the western provinces—the tariff and transportation. I admit that perhaps at this moment the most important question we have before the House is transportation. Our transportation difficulties must be settled at this session of parliament. The government cannot evade the problem, and consequently its right settlement is one of prime importance. As regards the tariff, we are anxious for proper conditions. But the tariff will probably be up next year,—I think it will from what I can understand of the opinion of the House at present. One section is not content with the tariff in one direction, another section is just as much discontented in another direction. We have to fight the issue elsewhere and come back to this House and settle it perhaps in a more conclusive manner than it has been settled for a great many years past.

It has been mentioned already this evening that our factories cannot compete owing to the underpaid labour in Europe and the high paid labour in the United States—two entirely different points of view. The fact is that until we get rid of the idea that our factories cannot compete I do not think they are ever likely to attain any degree of prosperity. I think they might succeed if they got a proper understanding of their position. They have repeated it so often that our industrialists have almost convinced themselves that they cannot compete with their rivals in other countries. But the battle is already half lost when you make up your mind that you cannot compete with the other fellow. Just as long as we find the manufacturers coming to Ottawa seeking for more protection for their industries, just so long will we find their factories not so well equipped as they might be, and not conducted as efficiently as they ought to be; in a word, they are looking for help in the wrong direction.

The burden of taxation to-day is pressing heavily on the shoulders of the people. Dominion, provincial and municipal taxation together make a very heavy load. That I think has probably held us back more than any other factor. Of course the tariff, as the Prime Minister has told us time and again is part of our taxation, and a big part. If we are going to succeed in this Dominion we must engage in industries where we can successfully compete, where our energies will give us the greatest economic returns. We might commence growing oranges if we had adequate protection and proper conditions. But would not that be the height of foolishness? We might apply that thought to some lines of manufacture in which we find other countries can produce so much more cheaply than we can. Why do we not devote our energies to those lines of industry in which we can compete with other countries and which will give us the greatest economic returns? Interchange of goods can be beneficial to both parties. Too often it seems to be the idea that in trade one must get the better of the other. That is not necessarily so in business or in commerce. The interchange of goods—and sometimes the interchange of ideas, Mr. Speaker,—is all right and can be of benefit to both parties. I am quite ready to admit that it is just as foolish to import goods that we can produce as satisfactorily as any other country as it is to continue making goods that it is not economically sound for us to manufacture.

Mr. MACLEAN (York): Will the hon. leader of the Progressive party allow me a question? He says that if we can produce anything as well as other countries we will succeed. I want to direct his attention to an industry in my constituency and to base a question upon it. I refer to market gardening. Those engaged in it can grow their products as cheaply as they can be grown in the United States, but by reason of the earlier season south of the border their home market goes to their competitors in the States, and consequently our market gardeners are large losers every year through this discrimination. I think they are entitled to some protection, and they think so too. What accounts for their disadvantage is the difference in climate, not what my hon. friend says.

Mr. FORKE: My hon. friend has referred to the climate. I think perhaps there he has struck the nail on the head. If our climate is not so well suited to the production of early vegetables as is the United States climate, then perhaps we had better let the people there produce them.

Mr. MACLEAN (York): No. It is the question of season rather than climate and the hon. gentleman would put a burden on those who have this disadvantage.

Mr. HOCKEN: Is that good Canadian policy?

Mr. FORKE: I do not see why. Mr. Speaker, I am sometimes surprised at the line of argument followed by my hon. friends. Our working people who produce the goods that are protected very rarely use the expensive luxuries that are imported from the United States. I should like to know if it is our working people who are using radishes and strawberries out of season?

An hon. MEMBER: No.

Mr. FORKE: Then why such a tremendous outcry on behalf of the working people? If some of those who want protection for our working people would quit using these luxuries the difficulty would be remedied in a very short time.

Mr. STEVENS: Is a cabbage a luxury?

Mr. FORKE: If you lived out west you would find it so sometimes. We have listened to quite an eloquent speech on some of the difficulties of the Maritime provinces. I have heard complaints made very frequently in the House about the lack of business in the maritime ports of Halifax and St. John. When a ship comes into one of those ports with $100,000 worth of goods she is penalized $20,000 in taxes, customs tariff. Now, Mr. Speaker, I do not think we are ever going to get very much trade through our maritime ports while that taxation continues, for the tariff imposts on cargo amount to taxation.

I do not think that a great many of our difficulties to-day are due to trade depression or the lack of protection, but to the lack of purchasing power on the part of the consumers of this country; they cannot buy the goods that we produce. That I think is the main trouble. I wonder what benefit would accrue to any manufacturing concern if they were unable to find a market for their output? I think I made the statement in the House the other afternoon that the trouble in Canada was not the question of production; our factories can produce in six months, I think it is safe to say, sufficient to meet the needs of the people of Canada for a year. The trouble is the lack of a market in which to sell our goods as they are produced. I know my hon. friends to my right will say, why buy goods from the United States? Well, I will present to you another picture. Imagine a mother with five or six children and a very limited income, trying to figure out how much she can buy with the means at her disposal in order to provide for their needs. I tell you that the "made in Canada" principle will not go very far with her if she can purchase goods cheaper somewhere else. It is all very well to put forward lofty sentiments, but when you come to the actual necessities of life, when it is a matter of providing the things that are essential to one's existence, the "made in Canada" doctrine will not stand unless it has something more to back it up than patriotism.

I would like to point out to some of our industrial friends what the agricultural people are doing in the west to-day. I have made the plain statement that protection cannot help the west. The member for Kings P.E.I., (Mr. Hughes) said that if this thing continued, if the protective tariff was made higher, the people of the Maritime provinces could not continue and succeed; and he said of the west that they would not continue. I do not know if we are any better able to stand it than the Maritime provinces, but I do know there will be dissatisfaction. But the farmers in the west to-day are studying agricultural conditions. They are trying to find out what crops they can best raise, to find out what the land is best suited for. They are studying co-operative methods of marketing; they are employing every means of eliminating

needless expense and of raising and marketing their crops under the best economic conditions. They are not simply sitting down and whining; in the meantime they are doing the very best they can for themselves, and I would hand that advice out to some of our manufacturers. I suggest that instead of continually looking for help they try to do what the farmers of the west are doing—try to find some solution for their troubles in the meantime and keep up an agitation for the removal of the difficulties which prevent them from doing all they might do for themselves.

I notice in the speech of the Acting Minister of Finance that a tariff board is to be appointed. I do not know exactly what that board will be. I can only express my own ideas on the subject, but I hope it will not be a permanent board that will make a scientific tariff for all time that the government can get behind. It may be all right to have an investigation in order to get some further knowledge on the subject, but in the final analysis the government must always be held responsible for tariff conditions. I say that only as my personal opinion; I do not know what the opinion of my people would be on that matter.

I wish in conclusion to endorse some of the sentiments expressed by the Acting Minister of Finance. We live in a country which lends itself to sectionalism. To repeat words that have been used in the House to-night, no country is less able to stand protection than is Canada, from the very fact that her interests are so diversified, her area is divided into so many sections which differ in their character, and the possibilities of the growth of sectionalism are so great. There is just one way of removing that difficulty, one way of preventing the growth of sectionalism, and that is to have the public policies of the country founded on the broad basis of equity and justice to all sections of our people.

I regret very much that the government in the present budget have not seen fit to further implement their promises. I wonder if they have not the courage to live up to their promises. What is the matter? Why do they not nail their colours to the mast and stand or fall by that policy? If they do that they will get enough of the people of Canada behind them; they will be secure where they are if they only have the courage to take that forward step. To my right we have a party whose principle is higher protection. They have no other doctrine; they say that high protection will solve all our problems. The people of Canada will never accept that doctrine, and my hon. friends will stay forever in the shades of opposition if they continue to preach it. I say that in no spirit of hostility, but I think I know something about the temper of the people of this Dominion.

Mr. STEVENS: That is a fatherly observation.

Mr. FORKE: I would remind my hon. friend that Vancouver Centre does not cover all of Canada.

Mr. HOCKEN: Neither does the province of Manitoba.

Mr. FORKE: Well, for myself at least I am going to nail my colours to the mast and stand or fall by, the policy that I believe to be the right one. Mr. Speaker, I wish to move an amendment to the amendment, as follows:

That all the words after the words "resolved that" in the amendment be struck out and the following be substituted therefor;

The House regrets that the budget presented by the Acting Minister of Finance contains evidence of the application of unsound principles of public finance, affords no relief from the excessive burdens of indirect taxation and constitutes a failure to carry into effect substantial economies in public expenditure and the fiscal policy of the Liberal party as from time to time enunciated.

And that the policy of protection maintained in the present budget, has greatly increased the cost of living and production and has failed to provide adequate revenues or to prevent serious depression in trade and industry,

And be it further resolved that a revision of the tariff schedules, based on the needs for revenue instead of on the principle of protection is long overdue and should be immediately undertaken in order to bring down the costs of living and to place our industries on a permanently sound basis.

Mr. SPEAKER: In connection with this motion I wish to remind the House that two years ago I ruled that on the motion "that Mr. Speaker do now leave the chair for the House to resolve itself into committee of Ways and Means" only one amendment was allowed. I will quote Bourinot on this point —page 420:

Only one amendment can be moved to the question, "that Mr. Speaker do now leave the chair". (g) If that amendment is negatived, a discussion on other questions may be raised but no other motion can be preposed. If the amendment is withdrawn, however, another amendment can be at once submitted to the House.

Then in the footnote (g) hon. gentlemen will find the following:

This limitation is peculiar to the Canadian Commons.

In my ruling of two years ago I quoted the decisions given by Mr. Speaker Smith and Mr. Speaker Wallbridge before confederation, by Mr. Speaker Cockburn, by Mr. Speaker Anglin, by Mr. Speaker Rhodes, my immediate predecessor, and also the opinions

given by Sir John Macdonald, the Hon. Alexander Mackenzie, the Hon. Edward Blake and Mr. Holton, who in his day and generation was considered the foremost authority on parliamentary procedure. All agreed that on the motion as now put to the House by the Acting Minister of Finance (Mr. Robb) only one amendment can be moved. I realize, however, as I did two years ago that the complexion of the House has changed since that time. In those days there were only two regular parties, the ministerial party and the opposition, the Conservative party and the Liberal party. I pointed out also that the same question had arisen in the British parliament over the Irish party, which was very prominent, and that there the Speaker had recognized only two parties, the ministerial party and the opposition. To-day a similar condition exists in England. There you have three groups, the Conservative or Unionist party, the old Liberal party, and the Labour party, which of late years has risen to great prominence in British politics. Yet the Speaker will not recognize groups outside of the government party and the opposition party.

I may add that this year the House has thought it proper,—and I say this because it is against my grain to reject an amendment moved by a group so important as is that represented by the mover of the subamendment,—to appoint a select committee with a view to revise its rules. All questions affecting the rules are coming before that committee. We have had two or three sittings already, and will hold two more next week, and will probably sit every week during the session. Questions of procedure will come before us, and possibly amendments may be made. If questions such as this should arise at another session perhaps the Speaker may then be at liberty to give a group in the House the right to move an amendment which would represent its views on the capital issues of the day.

I therefore rule once more that the amendment to the amendment is out of order. Of course, an appeal may be taken against the decision of the Chair, and I hasten to say that the Speaker will always accept the judgment of the House, and will not be affronted if that appeal is taken.

Mr. J. W. KENNEDY (Glengarry and Stormont): Mr. Speaker, in respect to the ruling that you have just given to the House, may I say that I have the greatest respect for your knowledge of parliamentary procedure and customs, and also for the authorities which you have quoted in this regard. Your ruling, and rulings of a similar nature which have been made in previous sessions, I am led to understand have been based not so much on any particular rule of our House, as on precedents and practices which have grown up in the years gone by, and have established themselves as recognized traditions and customs which we should follow. But may I point out what you have already observed, Sir, that a condition now exists and has existed in this House for the last five or six years which did not exist at the time those customs were becoming established. For that reason, and also for one other, that the subject matter of the amendment offered by my hon. leader (Mr. Forke), as compared with what was offered by the Acting Minister of Finance (Mr. Robb), or by the ex-Minister of Finance (Sir Henry Drayton), challenges my supreme confidence and respect, I could wish that after taking this subamendment into your consideration you had allowed it to stand. However, I appreciate the hope you have held out to us that at some future time subamendments of this kind may be permitted to be moved. If I may do so without seeming discourteous to yourself, Sir, I should like to appeal to the judgment of the House from the ruling you have just given.

Mr. HOEY: There is little doubt in my mind but that technically speaking—

Mr. SPEAKER: I wish to point out to the hon. gentleman that on an appeal there can be no debate.

The question having been put as follows:

The Speaker having decided that the amendment to the amendment moved by Mr. Forke and seconded by Mr. Hoey was out of order, Mr. Kennedy (Glengarry and Stormont) appeals from this ruling.

The House divided on the question: Shall the ruling of the Chair be sustained?

YEAS

Messrs:

Archambault,	Chevrier,
Baldwin,	Chisholm,
Baxter,	Church,
Béland,	Clark,
Benoit,	Déchêne,
Binette,	Delisle,
Black (Halifax),	Denis (Joliette),
Black (Yukon),	Denis (St. Denis),
Boucher,	Desaulniers,
Bourassa,	Descoteaux,
Bowen,	Deslauriers,
Cahill,	Dickie,
Cannon,	Doucet,
Carroll,	Drayton (Sir Henry),
Carruthers,	Duncan,
Casgrain,	Euler,
Chaplin,	Fafard,
Charters,	Fiset (Sir Eugene),

Fontaine,	Martell,
Forrester,	Maybee,
Fortier,	Meighen,
Fournier,	Motherwell,
Garland (Carleton),	Munro,
Gordon,	Murdock,
Grimmer,	Neill,
Hammell,	Ouimet,
Hanna,	Papineau,
Hanson,	Pelletier,
Harris,	Pouliot,
Hatfield,	Preston,
Healy,	Prevost,
Hocken,	Putnam,
Hubbs,	Rankin,
Hudson,	Raymond,
Hughes,	Rhéaume,
Hunt,	Robb,
Jacobs,	Robichaud,
Jones,	Robinson,
Kay,	Robitaille,
Kelly,	Ryckman,
King (Kootenay),	St. Père,
King, Mackenzie (York),	Savard,
Ladner,	Séguin,
Lanctôt,	Senn,
Lapierre,	Shaw,
Lavigueur,	Simpson,
Logan,	Sinclair (Oxford),
Lovett,	Sinclair (Queens, P.E.I.),
Mackinnon,	Snowball,
MacLean (Prince, P.E.I.),	Spence,
Maclean (York),	Stevens,
McGiverin,	Stewart (Argenteuil),
McIsaac,	Stewart (Hamilton),
McKay,	Stewart (Leeds),
McKillop,	Stirling,
McMaster,	Stork,
McMurray,	Sutherland,
Manion,	Vien,
Marcile (Bagot),	White,
Marler,	Wilson.—120.

NAYS

Messrs:

Bancroft,	King (Huron),
Black (Huron),	Knox,
Brethen,	Leader,
Caldwell,	Lewis,
Davies,	Lovie,
Drummond,	Lucas,
Elliott (Dundas),	McBride,
Evans,	McConica,
Findlay,	McDonald (Timiskaming),
Forke,	McTaggart,
Gardiner,	Millar,
Good,	Milne,
Gould,	Pritchard,
Halbert,	Reed,
Hodgins,	Ross (Simcoe),
Hoey,	Sales,
Hopkins,	Sexsmith,
Humphrey,	Speakman,
Jelliff,	Steedsman,
Johnston,	Stewart (Humboldt),
Kellner,	Thurston,
Kennedy (Edmonton),	Wallace,
Kennedy (Glengarry & Stormont),	Ward,
	Warner,
Kennedy (Port Arthur & Kenora),	Woods,
	Woodsworth.—50.

Ruling sustained.

Mr. W. K. BALDWIN (Stanstead): Mr. Speaker, when we consider the vast spaces in Canada which are at present unsettled and remember the conflict of interests which from time to time reveals itself in this country we are led to consider what would happen if the whole Dominion were peopled, including the great district of Mackenzie, the far northern territory of Franklin and the regions surrounding Hudson bay.

During the speech of the leader of the Progressive party (Mr. Forke) to-night the question was raised as to whether the unrestricted importation from the United States of strawberries and other fruits, as well as vegetables, should be permitted. Personally I believe in patronizing home products and in protecting home industries. We can grow everbearing strawberries, and the potatoes that are dug in October will last until the next crop is grown; therefore what is the use of importing these commodities from the south and paying fabulous prices for them?

The ex-Minister of Finance (Sir Henry Drayton) endeavoured to cast doubt upon the presentation of the country's financial standing by the Acting Minister of Finance (Mr. Robb). Personally, I prefer to accept the statement made by the latter whose conclusions have been verified by two of the best chartered accountants in this country.

The railway situation has been blamed for weakening Canada's financial position, but who is responsible for that situation? If we have the railway problem on our hands whose child is it? I think it is the child of the Conservative party, and if I remember rightly we fought the proposals of the late government for weeks and months. I think my hon. friend the member for Pontiac (Mr. Cahill) will recall the part he played in that struggle. I repeat that the present government were not to blame for the railway incubus but having been saddled with this responsibility the present Prime Minister searched the wide world for a man able enough to bring order out of the chaos which existed in respect to the railway situation, and in securing Sir Henry Thornton he secured the best railway man obtainable. I believe that Sir Henry Thornton's optimism, business ability and skilful administration will have the happiest results in connection with the Canadian National Railways. His great personal magnetism and his stirring appeals to the employees of that great system to be loyal to the National Railways and to render the most courteous and efficient service have already borne fruit, with the result that those employees, in my opinion, are even more loyal than are the staff of the Canadian Pacific to that system.

Hon. gentlemen opposite are continually raising the cry of more protection, and they describe in glowing colours the results which will flow from the adoption of their policy. In the old days in almost every hamlet and village on the American continent there was a unique character—a fantastic and whimsical character—who would invent things which never happened and describe them very graphically. He would tell these stories with such persistence that eventually he himself accepted them as true. The Conservative party are in the same position. They declare so frequently and so positively that the present government are neglecting to provide any protection for the industrial communities that they have almost come to believe in the statement themselves. For example as a result of the reductions in the duties on the implements of the basic industries in Canada made by the present government it was alleged by hon. gentlemen opposite that those industries had received a bad blow and that they would inevitably go to the wall. Now, I understand that the Massey-Harris Company are paying their first dividend for many years. This evidence of prosperity does not seem to be quite consonant with Conservative predictions. Furthermore, I understand the Dominion Textile Company of Canada are running to 90 per cent of their capacity. This important statement is made in the Financial Times of February 13. Now when we compare that condition with the fact that the New England Textile companies are running at less than 40 per cent of their capacity, is it not a striking tribute to the prosperity of the former.

10 p.m.

Last year, in consequence of the stand which I took on the fiscal policy of Canada certain big interests declared that "if Baldwin again undertook to edge himself into politics he would find where he would get off at." I wish to say that when Baldwin takes a stand on any question he does not edge, he comes out squarely and frankly.

I am here to defend the principles of Liberalism, the principles enunciated by the leader of the present government. Who can doubt the wisdom displayed by the Liberal convention in 1919 in this city when they made the choice they did of a man to lead them? It has been said that we on this side are not a courageous party. Well, it took some courage to take hold of the administration of the affairs in Canada in view of the chaotic condition in which we were left by the Meighen government. In view of the prevailing conditions and of the huge debt, the result of Conservative maladministration, it took some courage to grapple with the situation, and that the budget is as good at it is, is most surprising under the circumstances. That budget certainly is a credit to any party or any combination of men, and we are proud to re-affirm once more our loyalty to our leader and his colleagues. That the policy of the present government is supported by the country cannot be doubted in view of the results of the by-elections. The victory in St. Antoine was a most significant one.

Another evidence of the feeling throughout the country is what happened in West Hastings which was taken over from the man who resigned his seat. From my observations I am firmly convinced that there is confidence established in the country in the government that is now ruling our destinies. A great deal has been said about people leaving Canada. Is it any wonder that some people should leave the country after the "whispers of death" and the songs that have been sung by twelve or fifteen of the most eloquent members of the opposition who have been going up and down through the various constituencies telling the people what a terrible state the country is in? If the same men had upheld this country in a patriotic manner, what might they not have done in the way of bringing immigrants of the very best type to Canada? When they were travelling to the Wembley exhibition or south through the United States, why could they not have said that we have one of the noblest countries on God's earth and that we have none of those terrible, contagious diseases that ravage the southern parts of Europe and the southern states?

This is a wonderful country. We have an air that is purified—clarified with ozone that builds up a strong and virile people. We have no colour line except possibly in British Columbia. The hon. member for Vancouver Centre (Mr. Stevens) made the charge that people have been leaving that province and going down to Seattle, conducting their Canadian business from there. That was the most serious charge I heard, but there is some way of curing that. I cannot believe that such a situation exists to any great extent. On the whole I believe this country is doing well. I wish all the statistics could be kept of people who have returned from the United States as well as those who have come in as immigrants.

Something has been said about a great glass factory. I have been past that closed building, and I believe it was over-capitalized and

mismanaged. From time immemorial mismanagement has been the cause of failure in business. To-day a glass factory is being built in the province of Quebec which is going to employ several hundred people. The factory that was closed was not closed on account of a reduction in prices. I run a store and I handle everything from a needle to an anchor. Glass has declined very little in price since the days of the war. The chief thing that caused the closing of the glass factory was its taking over by the combine, and the combine have put up the price of lamp chimneys, window glass, and such articles that the common people of the whole world use, costs from four, five and six cents advanced to fifteen cents. The Dominion Glass Company have us by the throat. When anybody says that they put down the price of glass until they broke that factory and raised it again, that is a great mistake. The price of window glass or any other kind of glass has not been reduced to any appreciable extent.

Throughout Canada a good, substantial business is being done. We find, of course, some people who are keeping their capital in the banks or in their pockets rather than letting it go out to develop the resources of this country. I hope there are very few such cases in Canada, because it would be an appalling charge to bring against any people that they were doing that in order to gain a political advantage. I have a charge to bring against wealthy people for leaving this country to bask in the sunshine and enjoy the aroma of California roses. I expect that class of people will go to Florida now that she has exempted everyone from all kinds of taxation, I believe, except municipal taxation. It will be the Mecca of the rich. It is a winning card, and I think it will draw people from all parts of the United States. I hope, however, it will not draw one man from Canada. It is terrible to think that after the Great war some people are not willing to pay in their mite. They should be willing to pay their share of just, honourable taxation that was necessary in order that Canada along with the rest of the civilized world might defeat the Kaiser.

It has caused me great pain to see Canada in the condition it is owing to certain people endeavouring to pull it down. It would be far better if the same intellect, the same capabilities, the same energies, were used by the people and the press of the country to say a good word for Canada and to endeavour to bring people in. It is almost appalling to think of the rumours that float around the country and to hear everywhere you go people asking: What does this mean—Whispers of death? What motive people have for spreading abroad these rumours, I do not know. I say on the floor of this House to-night that such people should be arrested for treason. Such statements should not be allowed to be distributed throughout this country. It is not right that good, loyal citizens should be discouraged by any such rubbish as has been printed in some of these newspapers, and to have that followed up by such statements as that Canada is a poor languishing country that has no future. In days of old every man on both sides of the House talked about the great British Empire on which the sun never set, and depicted this great country of ours stretching from ocean to ocean, bigger than the United States including Alaska. Have we not something to be proud of in this country of ours? Are we not proud of our forefathers, of their memory, of the people who colonized the country, felled the forests and built these beautiful homes? We should be proud of the memory of those who protected us in our infancy, of the little red school-house, the little church and the old home where we were all protected. It is a wonder to me how some people who want to get on to the government benches, should go about this country befooling, be-fogging and be-fuddling the minds of the people. Such work is not patriotic and is unworthy of people who have any pride in their country.

If this country is to have the great future to which it is entitled, everyone must take some thought as to the welfare of others. If the rich people do not care whose baby cries so long as theirs is swathed in eiderdown, we cannot have a great country. That is the kind of thing that leads to bolshevism, and we know enough about that when we see what is going on in Russia. Things would be far better in this country if men of all political stripes would work together; if we had some real co-operation this would be a splendid country. And it is going to be, whatever may be done at present by those who are more interested in party than in the country at large. We have in Canada the greatest unoccupied domain that can be found anywhere; there is no other place on earth that can compare with these areas of uncultivated land which are just waiting for the population to develop them.

But we must economize. It is as natural for some people to live prudently and to save as it is for the vast majority to waste, and what we need is thrift both individually

and nationally. We have of course a demand for the Hudson Bay railway and for railways into the gold belts, and for one thing and another; and we have fifteen million acres of the best arable land now within fifteen miles of our present railway system. This land should in my opinion be developed. Railway construction in the United States began on the Atlantic coast and gradually forged its way to the west.

The trouble with us is that there is not enough national spirit. We have two old parties in this House, and now the Progressive party, and we also have a Ginger group, so-called. But I have no hesitation in saying that the party to which I belong has never been called upon at any time to sign on the dotted line, for we enjoy freedom of thought over here. Hon. gentlemen across the way are dictated to, and this is true more particularly of the old Conservative party. It has always been the same with Conservatives; if we study history five hundred years back we shall find that always at the crack of the whip they have fallen into line. Not so with us. The hon. member for South York (Mr. Maclean) is one thorn in the flesh of the Conservative party in this House, and although hon. gentlemen call him a visionary and declare that he is always visualizing the future, it has been suggested that his visions often come true. It seems to me that the architect in this case sees the structure before the foundation is laid. Nor is there anything wrong about that; I believe we have a right to visualize our future to some extent.

Let us consider the tariff for a moment. Members from the three Maritime provinces complain that the tariff operates to their disadvantage, and I think we all agree that no constituency of the two hundred and thirty-five in this country can prosper unless all make some progress. And I will go so far as to say that no part of this country can be successful or make progress without developing the county of Stanstead. We have thirty factories in that county one of which is the only factory of the kind to be found in Canada, and we have been brought up in the province of Quebec to believe that the building up of a community creates a market for the products of the farmers, while industries provide means of employment for their sons and daughters. Now, I believe in protection, although I am not a high protectionist; but I do think that there is too much autocracy and too much selfishness in the application of the protective principle generally. I do not think it will be doubted that we need some protection in view of the fact that we have beside us a highly protected country. With protection prevailing in the United States, how in the name of common sense could we exist unless we looked after ourselves? But, as I say, there should be no undue selfishness in applying the principle.

There is a tariff board in the United States which owing to its alertness has prevented many Canadian exporters from taking advantage of the market over there. I will give two illustrations. I was in the Niagara belt a short time ago and I learned that a certain jam factory after sending over six carloads to the United States was suddenly stopped; the United States Tariff Board got after them and put an end to that business with a substantial loss to the shipper. Again, there are certain furniture manufacturers in Ontario who turn out a special kind of furniture. They had been selling considerable quantities of their product in New York but the tariff board, always alert and on the job, got after them also and put an end to their business over there. We have no such board in Canada and it seems to me that we should have a commission to perform the same functions. The United States capitalists under our tariff come over here and invest money and we are glad to have them. But I do not think that there should be any pussyfooting on our part; their tariff board can put a spoke in our wheel in the way I have just illustrated, and I see no reason why we should cut any sissiefied figure before them. Let us wake up and follow their example in this regard.

Hon. gentlemen opposite have been saying a great deal about the pulpwood question. Well, let me refer them to some Canadian history; I remember when Sir John A. Macdonald's government on two occasions imposed an export duty on spruce logs. With very few exceptions the farmer who sold his spruce timber received a dollar less on his exports and it was only when the American lumbermen came here to operate that this country got any money out of United States citizens in this connection. But what happened at that time? In each instance the tax was taken off within a year. Hon. members opposite are kicking up a great fuss about the export of pulpwood from this country but what remedy are they prepared to offer? I know of one gentleman who in one election went throughout the eastern townships advocating a tax on the export of pulp wood and logs and he was defeated. I believe that not one candidate pledged to an embargo on pulpwood could be elected in one-half of Quebec, one-half of New Bruns-

wick, one third of Nova Scotia, one-half of British Columbia, and only a few in Manitoba and Alberta. Of course, in the cities where there are no trees a few candidates could be elected on such an issue. I would be in favour of an embargo if the paper mills of Canada would agree to pay the price for pulpwood that is paid in the United States. You might as well put an embargo on milk, on grain products, on meat products or any other commodity and so interfere with trade as try to steal away money from the man who bought his land. Let us see how the present policy is working under this government. One-half of the paper made on the American continent to-day is made in Canada. The member for Kings (Mr. Hughes) told us that a year ago fifty-seven of our raw products were exported, while to-day we are manufacturing forty-three of them, so we are making progress. It must be borne in mind that there can be no such thing as placing embargoes on what the vast majority of the people are interested in when they suffer as a consequence. Of course, it was the Conservative party that forced the government to appoint a commission to inquire into the question, and last session they howled at the awful expense. But it is altogether their fault. The government simply wanted to satisfy the people. The commission found invariably just what I say, practically everyone was against any embargo.

We have been told a lot about the labourer, the dear labourer. If I had fifty hands I could keep them busy twenty-four hours of the day. I want servants in the house and in my business. Talk about the scarcity of labour, why, there are thousands of people going up and down this world pretending they want work but hoping they will not get it; and the more you sympathize with them the worse they get. I hear people talking about the coal mines in Nova Scotia and the labour troubles there, and I wonder if it would not be well to deport McLachlan and other labour agitators, banish them to the isles of the sea, for they have caused all the trouble. It is an appalling thing,—there is plenty of work, but everything is unsettled by labour agitators. It is enough to kill business when labourers will not be just and equitable. Every Canadian wants to be fair and reasonable, but not so the internationalists. The poor miners of Cape Breton have contributed a quarter of a million dollars to the labour union at Indianapolis, and to-day they are living on the gifts of the Canadian people. That is the curse of labour unions. I maintain to-night that there never has been a strike by any labour union throughout the world that ever accomplished anything. I do not object to labour unions, but every difficulty should end in arbitration. Their stopping work has put up the cost of living mightily. I wish the leader of the Progressives (Mr. Forke) was in his seat. He says that the price of everything has gone up. Everything has declined with the exception of what the farmer raises, and I am glad for the farmer's sake that his commodities are going up in price. Does anyone know of any commodity that is not on the decline except eatables?

An hon. MEMBER: Whisky.

Mr. BALDWIN: The government might put $10 more on whisky. So long as the money goes into the treasury of our country. If the British Empire, consisting of over 500,000,000 people, could arrange for a tariff with a 50 or 60 per cent preference within the empire, we would bring Uncle Sam to his knees. If we could have such an arrangement as that, within ten years empire free trade might be practicable. How would Uncle Sam cope with over 500,000,000 people raising every product known in the world? We could raise all our cotton—we raise our rubber now—and we do not need to buy their corn or their coal. We have white coal in this country, and if I had the money I would not go south, I would go north and find the big timber limits and the water powers, and these I would develop. We can do this ourselves instead of paying $100,000,000 a year to the United States for coal.

I believe the British West Indies should be tied with us politically. We should also have Newfoundland as a province of this Dominion. In the days of Sir Mackenzie Bowell, Newfoundland could have been brought into confederation for $8,000,000. Would not every dollar of that money have been spent in the Dominion, and would not it have given us better coal mines and better iron mines than any we have now? We want millions of dollars worth of the products of the West Indies; they want our manufactured goods. When I put this suggestion to a well posted man on one occasion he said, "What do we want of fifteen million niggers?" Well, that showed his ignorance, as well as mine, as I did not contradict him. It all goes to show that we do not know as much as we ought to know about the British Empire. Subsequently I went to the library to find out just what the population of the British West Indies was, and I found that there are less than three million people down there, and that the language of the people

is about evenly divided between English, French and Spanish. When Stanley Baldwin was delegated to come and settle the matter of the indebtedness of Great Britain to the United States he may have acted too quickly; in fact it may be a characteristic of the Baldwin family to discharge obligations quickly. If Great Britain ceded to the United States these islands in the Caribbean sea, without a doubt the United States would discharge the debt Great Britain owes her and Great Britain would save $180,000,000 annually. But to do that would be against Britain's ideas and Britain's rule, because so long as her people are loyal to her she would not throw them into a republic against their will. The people down there are against trading with the Americans. Look at the United Fruit Company; they handle that country as the potter handles clay. The best bananas are grown in British Honduras; they raised shiploads of them. When they started to do this the United Fruit Company asked them, "Who told you to raise bananas?" The United States have included within their domain a tropical and semi-tropical country, and they are the richest nation on earth. Canada also needs a tropical and semi-tropical country to round her out and make her one of the greatest nations on earth. Patriotism and love of country should dominate the sentiment of every true Canadian citizen, Tory or Grit, Progressive or any other persuasion; the desire should be to make Canada a great country. Within the days of the rising generation—yes, even in our own days, this country should have a population of thirty millions. As to the representation of the West Indies in parliament, I do not know how that could be best carried out. They might have seats in the House of Commons or they might even have representation in the Senate, but that could be easily arranged. The people down there are British born and British bred and they want to remain within the British Empire. England has acquired vast areas of country and she should be willing to create that triple alliance, England, the West Indies and Canada, and to cede to us, by mutual agreement and after friendly conference, these islands. I hope the day will come when we can send our children to the stores and get fruit of every kind we want and of Canadian growth. That is the hope and the desire of a growing number of people in Canada.

Let us take as our motto Canada first, last and all the time. Let us aim to build up a great country by frugal living, by energy and industry, by good government, and by the fear of God—for there comes a time in the life of every human being when he needs more than human aid. This fighting and squabbling and scrapping over tariff policies could pass into oblivion, and much of it could be obviated by our having a tariff board of scientific men to act as watchmen of the night. I heard the member for Bruce (Mr. Malcolm) say he had sold a fine lot of furniture down in New York and that the transaction meant hundreds of thousands of dollars to him. Well, a tariff commission would solve all these problems. If we see a chance to promote trade with another country all we have to do is to write to the tariff commission and the thing is looked after. That is what we need; let us stop this fighting, stop this nonsense which has been going now since 1878.

On motion of Mr. Carroll the debate was adjourned.

On motion of Mr. Béland the House adjourned at 11 p.m.

Friday, March 27, 1925

The House met at three o'clock.

ALLEGED ARRANGEMENTS FOR GOVERNMENT OFFICES IN GENEVA

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, I have a telegram from Toronto on which I wish to base a question. I presume it is an item in the Mail and Empire of this morning. It says:

> A Mail and Empire agency despatch from Geneva says: "Canadian government has rented pretentious offices in the Quai Woodrow Wilson, where Dr. W. A. Riddell, permanent envoy, expects to entertain Canadians all summer."
>
> Is this entertaining part of the policy of economy, or is it a correspondent's picturesque touch?

I want to ask the Prime Minister (Mr. Mackenzie King) if there is any truth in the statement made in this despatch with regard to the rental by the government of offices in Geneva, and if the government will make a statement in that regard.

Right Hon. W. L. MACKENZIE KING (Prime Minister): It sounds a good deal like some despatch the Mail and Empire might get. I do not know anything of the matter referred to. I will make inquiry.

THE BUDGET

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

The House resumed from Thursday, March 26, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. W. F. CARROLL (Cape Breton South and Richmond): Mr. Speaker, will you allow me to join with those who in this debate have expressed regret at the continued absence from the House of the Minister of Finance (Mr. Fielding). We all miss the gentleman whom the newspapers of this country in recent years have called the "little grey man from Nova Scotia", and who as a matter of fact is a great Canadian statesman, a man who has graced the political life and the legislative halls of this country for well nigh half a century; a man who has an international reputation and who is looked upon in all quarters as one of the empire's ablest and most astute statesmen. That being true, we are nevertheless deeply grateful that we have as Acting Minister of Finance the keen, alert, active and business-like member from the district of Huntingdon, (Mr. Robb), who in the two budget speeches he has delivered in this House has placed himself in the front rank of finance ministers in this country.

Coming to the subject matter of this debate, the budget, I wish to say at the outset that there is nothing startling or sensational in it. It is, however, a clear, brief, businesslike statement of the financial condition of Canada, delivered by a businesslike Acting Minister of Finance. It does contain some surprises. During the past year, especially in the last six months of it, we were told by the press of this country that a deficit would be shown in the budget statement. It is a matter of gratification, however, that notwithstanding the world-wide depression which Canada has unfortunately shared; notwithstanding a considerable decrease in revenue; notwithstanding the fact that we lifted from the shoulders of the Canadian people last year millions of dollars of the weight of taxation, the Acting Minister of Finance is able to come down to this House and announce—and announce truthfully—that we have a surplus of almost $2,000,000 of revenue over actual expenditure. That, Mr. Speaker, is a statement which will appeal to the people of this country and will give them renewed hope and renewed inspiration as to what Canada may be for the future.

Coming down more particularly to the items in the budget, representing as I do a maritime country where upon the success of our fishermen depends the success of the commercial and other interests of the province, it is a matter of gratification to me, as it must be to the fishermen of Nova Scotia, to know that the acting Finance minister has reduced from 27 1-2 per cent to 15 per cent the customs duties on engines to be used exclusively in the propulsion of boats bona fide owned by individual fishermen for their own use. This, Mr. Speaker, will be a benefit to the fishermen not only of Nova Scotia, New Brunswick and Prince Edward Island, but also of the province of Quebec along the Gaspe peninsula as well as of the Pacific coast. In addition, it is in keeping with the policy of this government in reducing the taxation on the implements of production.

Another proposal in this budget is the organization and appointment of a board which will act as expert advisers to the Finance department in matters of trade, tariff and taxation. This, I think, has been a long-felt want in Canada, and the proposal made is a move in the right direction. As I understand it, it is the intention to organize this board of experts from within the government departments and outside, men who will have special knowledge of trade, tariff and taxation, and who will be able after investigation to give the Finance department the very best advice on tariff matters. I agree, however, entirely with the hon. member for Brandon (Mr. Forke) in what he said yesterday, that notwithstanding the government has decided to create and organize this board of experts, yet in the final analysis now and for all time to come the responsibility for tariff changes must rest upon the government and the Parliament of Canada. So far as I am concerned, and I presume so far as the people of this country are concerned, they will not lightly stand for any independent board, however expert they may be, forming and putting into effect any tariff regulations until they have first been passed upon by the parliament of this country.

The next item in this budget, which to me and to the Maritime provinces, and especially to the province of Nova Scotia, is of supreme importance, is the regulation which will readjust the duties on bituminous coal. This government, Mr. Speaker, has done not a little toward giving this country a Canadian fuel policy. Let me point out a few of the problems which this government has tackled relating to our fuel resources and our coal development.

In the session of 1923 the Finance minister of the day in his budget speech announced that he was going to allow lignite to come into this country free. That was done to benefit the western operators and the miners in the province of Alberta. It was done also with a view to taking advantage of the reciprocal arrangement which a few years previously had been made in the tariff schedules of the United States, whereby any class of coal which was allowed to enter the United States free would have free entry into Canada, and vice versa. The hon. member for Bow River (Mr. Garland), in the session of 1923, in the course of a debate in this House on a resolution introduced by one of the members for Toronto, read a resolution passed by the Red Deer Valley Coal Operators' Association. I have no doubt that the government of the day was also approached, and as a result, in that session the Minister of Finance acted as I have said, and I am given to understand by a very reliable authority that this action has materially assisted the lignite coal industry in the province of Alberta.

In the session of 1924, after the Mines branch of this government had investigated the possibilities of getting coal from the east and from the west into our central provinces the Minister of Mines had an appropriation of $200,000, which in effect meant that a subvention of one-fifth of a cent per ton per mile was to be granted in the carriage of eastern coals west and western coals east. That had a very beneficial effect so far as the coal trade of Nova Scotia is concerned; I am not in a position to say whether or not Alberta reaped any benefit from that arrangement. The item was passed very late in the session of 1924, and it did not become effective, I believe, until the middle of August that year, but notwithstanding that, the operators in the province of Nova Scotia were enabled to market one hundred thousand tons of coal in markets which up to that time they had not been able to reach.

This year the government has brought down another policy, if I may call it such, respecting coal. They have levelled up the duties on slack coal and run of mine coal to 50 cents a ton. Previous to this, and for some years the duty on run of mine and screened bituminous coal was 53 cents a ton, and on slack bituminous coal 14 cents a ton. This had the effect of creating an anomalous condition in the coal trade. Bituminous coal run of mine is identically the same article as bituminous coal slack, though in a different condition. Yet there was this difference in the duties. It may be interesting, Mr. Speaker, to ascertain why the duties have remained in this anomalous position for very many years past. Well, slack coal up to seven or eight years ago was of very little market value. In the early days under our tariff the duty on slack and run of mine bituminous coal was identical. For some years it was 50 cents per ton, and for a few years 60 cents per ton. In 1907, I think it was, the duty on slack bituminous coal was fixed at 14 cents a ton, and the duty on the other 53 cents a ton. In 1897 the duty on round coal or run of mine bituminous was placed at 53 cents a ton, and the duty on the slack was put upon an ad valorem basis of 20 per cent. The value of this slack coal was so low and so variable, and the market for it so small, that the customs authorities decided to fix 65 cents a ton as the import price for duty purposes. That was not done by order in council, nor was it a part of a budget brought down in this House; it was a custom which grew up in the Customs department. Twenty per cent of 65 cents would be 13 cents a ton. In that way this anomalous condition of affairs grew up, and when the tariff of 1907 was brought down and a readjustment made in the duties on coal, instead of going back to the ad valorem rate, the duty on slack coal was placed at 14 cents, and the duty on the other was left as before.

Now, Mr. Speaker, the market for slack coal in this country has very materially increased in the last number of years. Our coal industry in the province of Nova Scotia has been in a very precarious condition since the war. In 1913 the sales of Nova Scotia coal amounted to 6,164,000 long tons; in 1914 the sales went up to 6,478,000 long tons. In 1918 the sales fell to 5,265,000 long tons; in 1923 they rose to 5,507,000 long tons, but in 1924 they declined again to 4,448,000 long tons. Was there any good reason why, during the period from 1914 to 1918 when the wheels of industry in this country were running faster than they ever did before, the sales of Nova Scotia coal should have decreased by 1,200,000 tons? The reason is not far to seek. In 1915 a line of steamships—a thoroughly up-to-date line with fine terminal facilities in Nova Scotia and at Montreal—was developed by the then Dominion Steel Corporation and placed 2,000,000 tons of coal in the Quebec market. During the war, between 1914 and 1916 those ships were commandeered. Thus we lost the Quebec market; it was captured by the United States; and up to this time we have not recovered it. There is another reason for the decline in the sale of Nova Scotia coal. The United States did not enter the war until some

years after hostilities had been commenced. When they did go into the war they had their men so picked that their industries would not be in any way injured by their war activities. Not so in this country. When the war broke out the men who supplied the bone and sinew to Canadian industries enlisted by thousands and tens of thousands, making such a drain upon those industries that the military authorities instructed their recruiting sergeants in the province of Nova Scotia in the year 1916 to keep away from the coal fields otherwise the coal mining industry would be ruined, and permanently ruined. It is true that many of our most expert miners who had enlisted returned from the front, but many never came back. I believe that the coal industry of Canada, having special reference to the province of Nova Scotia, was hurt by the war to a greater degree than any other productive industry in the Dominion; as a matter of fact it was practically destroyed. In the meantime, while the industry in Canada was being contracted, the coal industry in the United States was being developed to an enormous extent. That was the state of affairs we had to face in the province of Nova Scotia in 1918.

In 1923, or before, and for some time during that year, there was a great coal strike in the United States. In that year we shipped through the port of Louisburg almost 1,000,000 tons of bituminous coal for the New England market. But on the termination of the strike we lost that market and to-day not one ton of coal is being shipped to New England, a condition which has existed for some time. To illustrate further the actual situation, and to prove the contention which I have been making, let me point out that in 1914 the province of Quebec took 2,381,000 tons of bituminous Nova Scotia coal. In 1924 we had a market in the same province for 1,570,000 tons of coal, so that in that one market alone we lost practically the sale of a million tons of coal in that ten-year period In the last four or five years the price of slack coal has been increasing, and to-day it has practically the same market value in central Canada as run of mine coal. This improvement with respect to slack coal was brought about by innovations in our manufacturing industry in the way of installing new furnaces to use that kind of coal, and to-day practically every great manufacturing industry in Quebec and Ontario uses almost entirely slack bituminous coal in its operations. Last year there was an improved demand for our coal in the markets of Montreal and Ottawa; in fact 40,000 tons of our coal were sold to the E. B. Eddy Company just across the river here. That improvement was made possible by the efforts of the Department of Mines and the small subvention which was given us through the instrumentality of the Minister of the Interior.

As I have said, the United States mines developed wonderfully during the war period. They opened new mines over there and the cost of production decreased, whereas the cost of production in Nova Scotia increased. May I point out that in the province of Nova Scotia twenty per cent of the cost of operations is taken up with the pumping of water out of our mines, a difficulty which it is almost impossible to overcome. On the other hand in the case of many mines in the United States all they have to do to get the coal is to tunnel into the mountain; and as a matter of fact enormous quantities of coal are mined there without the help of man power at all, and consequently without the assistance of men who have become experienced miners. Again, we have an eight-hour day in the mines of Nova Scotia as a result of custom and of statutory enactment, but there is no such provision in the case of many mines in the United States. In the case of the Nova Scotia mines there is also a compensation law in force the funds for which are provided entirely by the manufacturers, operators and lumbermen in that province. Not one dollar of that compensation comes out of the pockets of the miners, operatives or workers in the lumber industry. Under the pension scheme in connection with the coal industry a miner who has worked for a company and reaches the age of sixty-five years may be given a pension which, in the cases which have come under my observation amounts on the average to from $40 to $45 a month. Not one dollar of this pension comes out of the pockets of the employees themselves. These are some of the burdens imposed upon the coal operators in the province of Nova Scotia. On the other hand the operators in the United States are free of these restrictions. And there is the further fact that in the case of some fifty per cent of the mines the men work as long as ten, twelve and fifteen hours a day.

I have given the reasons why the Nova Scotia coal industry finds it impossible, at the end of the war, to compete with United States coal in the Montreal market. Our greatest market, of course, is the little province of Nova Scotia itself where last year we consumed 2,000,000 tons of our own production but mostly run of mine coal. Now, to show how the physical difficulties of mining have in-

creased in Nova Scotia as compared with the United States, let me quote a few more figures. In 1908 the annual production per man in the province of Nova Scotia in the mines was 545 tons; in 1924 the average production per man in those mines per year was 369 tons. That is a falling off of more than a hundred tons a year. In the United States in 1908 the production per man per year was 603 tons, and in 1924 the production per man per year was 756 tons, an increase in the production per man of 153 tons, compared with the decrease of almost a hundred tons in the province of Nova Scotia.

Mr. GARLAND (Bow River): Would the hon. member have any objection to putting that on a day's basis—the production per eight-hour day, instead of per year?

Mr. CARROLL: I have not worked that out. I am afraid I am not a very good mathematician and will have to leave that to somebody else.

Mr. GARLAND (Bow River): Permit me to suggest that that would have a very important bearing on the conclusion my hon. friend is trying to reach.

Mr. CARROLL: I am arguing that the production of coal has become much more difficult in the province of Nova Scotia, while in the United States since the war, and since the opening up of the vast territories of coal in that country during the war, the production has become very much easier. That is the conclusion I am reaching, and it is a matter of fact. Anybody who knows anything about coal mining in either of these countries knows that as we produce coal year by year we are getting further and further into the bowels of the earth and further and further under the sea. The longer the haul the more the coal will cost, and the further we go under the sea the greater will be the cost. In the United States, they have not, up to the present, faced this serious handicap.

Mr. GARDINER: Can the hon. gentleman tell us the number of day's work per annum in Nova Scotia and the number of days' work per annum in the United States in the coal mines?

Mr. CARROLL: I have not the figures before me, Mr. Speaker, but I will admit that last year the days' work per annum per man in Nova Scotia were not up to the standard, especially in three or four mines, and I can say the same thing of the United States. Let me point out that to-day and for the past few months there have been in south-west Indiana alone 17,000 idle miners; so that they have their troubles in that country, as we have our troubles in Canada.

Mr. GARDINER: If there are 17,000 idle in the United States is it not because of the closing down of the mines?

Mr. CARROLL: I do not know. I am placing the facts before the House, and hon. members can draw their own conclusions. It may be that they are closing down the mines. I have no doubt in the world—and I want to be fair with the hon. member—that the vast coal production of the United States in the last number of years, especially during the last few years of the war and since then, cannot continue, because they were over-producing.

Mr. PRITCHARD: Does the hon. member think the increase in the cost of that coal has been brought about by the fact that there was no duty on it, or at least a very small duty, and that they began to improve the quality and got the business in better shape?

Mr. CARROLL: I am coming to that phase of the question. I think it is simply the demand for the slack coal that enhanced the price, because ten years ago slack coal was very little used in the industrial centres of Canada. However, I am going to touch on the question my hon. friend brought to my attention. I have many figures regarding importations from the United States, but I do not think I shall bother the House by placing them on Hansard. What is the reason that this government has been asked by the people of Nova Scotia to have a levelling up of the duty on slack coal, the same as on run of mine and bituminous coal? First of all, I support that proposition Mr. Speaker, because we were in an anomalous position for many years in that regard. I support it secondly because in the last number of years smuggling has become an art in the country, and the United States operators were using this anomaly in our coal duty to smuggle in run of mine coal under the heading of slack coal. That is a matter of which I have personal knowledge. I have personal knowledge that large lake boats come down to the city of Montreal, with two compartments, one loaded with slack coal and the other loaded with run of mine or screen coal. They screen that coal at the mine. They separate the slack from the run of mine. They bring it in, and the slack pays fourteen cents duty and the run of mine pays fifty-three or fifty-four cents. After the duty is paid they mix that coal and it becomes good run of mine coal, and they sell it in the city of Montreal as such. The imposition

of the duty on slack coal will prevent a fraud on the customs, because it will prevent smuggling of run of mine coal into this country in the way I have mentioned.

Mr. KELLNER: How do they mix it? It seems to me a hopeless proposition. I do not know how they can mix it.

Mr. CARROLL: It is not a hopeless proposition. I have mixed it myself in my own cellar. I have bought slack coal down there for fifty cents a ton and gone into my cellar and mixed it with run of mine coal or screened bituminous coal, and it makes a splendid furnace coal. It is almost as easy to mix the coal as to mix a western cocktail.

Mr. KELLNER: Would the hon. member tell us what percentage of it continues slack? It is stated in the press that there has been only a small percentage of American coal coming in as slack.

Mr. CARROLL: That is correct. Out of 15,000,000 tons of bituminous coal imported into this country, something over 3,500,000 was slack coal. If we get some of that slack coal into the province of Quebec and further west there will be a better market for it than there was last year. That is another reason why I support this change in the tariff. I support it also for the reason I intimated in an answer to the hon. minister the other day. I not only supported it, but I went to the government with two delegations from Nova Scotia in support of the proposition. If this thing works out as I think it will, we will have in Montreal a market for anywhere between 700,000 and 1,000,000 tons of slack coal more than we had last year. I support it also because it will give more work to the miners of Nova Scotia, and furthermore it means that we will be living up to what this government proceeded to do when they came down with their first coal policy in 1903, because it is a broad Canadian coal and fuel policy.

I might go on and develop the situation with regard to the announcement made the other night by the Minister of Mines in connection with coke ovens, but I do not know that the time is opportune and I will leave that until the bill comes down. What will be the result? May I read an article from the Ottawa Citizen? The gentleman who writes the editorials for this paper is a great admirer of mine. May I point out what the Premier of Nova Scotia thinks of this increased duty on slack coal? He has been for many years Minister of Mines of that province, and in a statement published in the Citizen of March 15, this appears:

> Premier E. H. Armstrong, for many years minister of mines in the Nova Scotia government, in a statement issued this afternoon, interpreted the change in the tariff to mean a direct saving to the Nova Scotia operator, competing in the St. Lawrence market of thirty-six cents per ton in the selling price of his product. It has been estimated that the ten per cent wage cut proposed by the British Empire Steel Corporation would effect a saving of twenty-two cents per ton in the selling price of coal. This is taken to mean, by close observers of the situation, that under the new tariff the British Empire Steel Corporation can afford to pay the 1924 wage scale, and at the same time enjoy a fourteen cents per ton advantage over the selling price they hoped to effect by reducing the wage scale by ten per cent.
>
> Moreover Premier Armstrong estimated this afternoon that tariff change would enable the Nova Scotia operators to market an additional amount of coal approximating anywhere from three to four hundred thousand tons.

I make the quantity considerably more than that. In this connection the householders of this country are not affected. As a matter of fact, their position is improved because no householders will use slack coal unless it is a mixture that I have mentioned before. For stove or cooking purposes they must use run of mine coal unless they are wealthy enough to buy anthracite. Therefore, this does not in any way affect the householder or the price of bituminous coal. As a matter of fact, it improves that condition by reducing the rate from 53 cents to 50 cents a ton. I wish to read some opinions, and first of all I will read the opinion of the Ottawa Journal in regard to this change in the tariff:

> The increase in the duty on slack coal, while expected to greatly increase the market for Maritime coal in eastern Canada as far west as Toronto, will not, it is believed, have any other effect on industrial centres west of Toronto than of greatly increasing the price of American coal it is necessary to import.

This slack coal will be used entirely by the manufacturers of Ontario, and whereas we are given to-day by this change in the duty an ad valorem duty of 16 per cent, on this coal, we in Nova Scotia and those in the western provinces are paying for goods on which there is a protective tariff of from 27 to 35 per cent ad valorem, so I think Ontario manufacturers can stand their share:

> The imposition of the tax is felt to be largely the result of representations by the Canadian Manufacturers' Association and others, who are anxious that Canadian coal fields in the Maritime provinces be fully developed. Nine thousand million tons of bituminous coal lie in the coal fields of the Martimes, but in spite of this huge mass, it is not felt that production there can equal the demand for the coal that the new tax is bound to produce, as the question of supply is largely a matter of the number of mine openings which can be economically operated, and it is generally admitted by experts that the number of openings which can thus be made there is greatly limited.
>
> Maritime coal in Ottawa was practically unknown a year or so ago, the total amount used in the industrial

plants of this district a year or so ago being around 14,000 tons.

And I may say that this came entirely from the province of New Brunswick, from the Minto mines:

At present however several of the large industrial plants, notably the E. B. Eddy Company, have been using the Maritime slack coal.

And that became possible through the intervention of this government last year. Last year the Eddy company took from the province of Nova Scotia some 40,000 tons of coal. What do the coal dealers in the city of Ottawa say?

Several local merchants are pleased with the imposition of the new tax. Mr. J. G. Butterworth last night stated that the tax was undoubtedly a good thing, and would work advantageously to the Canadian mines in Nova Scotia. He thought it would go far to rectify the present unsatisfactory conditions existing there through the men in the mines being able to work only part time.

Mr. Napoleon Belanger, of the firm of O'Reilly & Belanger, was also of the opinion that the tax was a good thing. It was impossible to state at this date just how the American dealers would meet the situation. They might reduce their prices so as to offset the tax. In any event, however, it would be good for the Canadian mines.

These people are dealers, I presume, entirely in fuel for domestic purposes, and slack coal is not such a fuel. I may be told that the Progressive party in the west and the low tariff men of the west will, of necessity, have to live up to their principles by opposing the imposition of this extra duty on slack coal. But I believe the western Progressives are just as broad in their Canadian point of view as are the Bluenoses of Nova Scotia or the corpulent men of Ontario and Quebec. I had serious doubt for some time as to how the operators and the people of western Canada would look on this subject of the putting up of the duty on slack coal to the same point as the duty on round coal. My fears in that respect have been dissipated, because long before the government brought down the budget, we had the views of western operators and the views of western politicians who, I presume, represent public opinion in western Canada. On the 11th February, 1925, the following appeared in the Edmonton Journal as being the policy of Mr. Greenfield and the Edmonton government, representing, I believe, public opinion in Alberta in regard to this subject:

The question of the dumping of coal at lake head, and the need for an adjustment of the duty as between slack coal and run of mine coal, is no new one to the government—

He was speaking for the government:

—said Premier Greenfield to-day, referring to the memorandum of the Edmonton Board of Trade now being drawn up by the coal section of that body. As a matter of fact, proceeded the premier, we have for the past eighteen months been taking up this subject with the Department of Customs at Ottawa,—

That is as long as I have been taking it up.

—and I have good reason to believe that ere long the duty on coal will be adjusted so that slack coal will pay the same duty as run of mine coal, thus preventing the separation of the two grades at Duluth,—

Their troubles are at Duluth; ours are farther east.

—shipping in the slack separately under the low duty, then re-mixing at Winnipeg and selling the mixture once again as run of mine coal.

The very proposition we have had to contend with in the Maritime provinces. He goes on:

Referring to the Anti-Dumping Act, Premier Greenfield said that in his opinion this should be made the same as the United States act, with the valuation for duty purposes made at point of production, instead of at the point of direct export. The Alberta government, he added, would continue to press for this concession also until it was secured.

I have not looked into the details of the revision so far as the anti-dumping clause goes but I think the wishes of Premier Greenfield are being complied with in this respect.

"If we can succeed in these two things," concluded the premier, "we shall have greatly improved the position of Alberta coal in the competitive Winnipeg market. Nova Scotia is also pressing for the same thing as Alberta, and we have every hope of ultimate success."

The Edmonton Board of Trade passed a resolution along similar lines, as did the Board of Trade of Calgary, whose resolution I have not with me, and Premier Greenfield took the matter up. And a week or ten days ago a delegation from Nova Scotia appeared in Ottawa to impress upon the government the necessity of doing exactly what they had done in regard to coal. The government of Alberta has a trade commissioner who is well and favourably known to many of us and he was on his way east when the Nova Scotia delegation was on the way to Ottawa. They got in touch with him to ascertain his views and those of the government he represents as trade commissioner, and a telegram came from Premier Greenfield, as follows:

Edmonton, Alberta, March 18, 1925.

HOWARD STUTCHBURY,
Chateau Laurier,
Ottawa, Ontario.

Replying your wire seventeenth please represent province with Nova Scotia delegation Thursday setting out our view in accordance with letters recently sent to Minister of Customs and Minister of Finance.

These are the very views which the Edmonton Board of Trade expressed in February or January of this year. It is the policy of the

Alberta government, who I have no doubt represent public opinion in the province of Alberta; they are with the people of Nova Scotia in the matter of this duty. Now what about the operators? I have heard it said both in this House and outside—

4 p.m.

Mr. KENNEDY (Edmonton): If I understand the first telegram which the hon. member read in regard to a statement of Mr. Greenfield's,—

Mr. CARROLL: It was not a telegram.

Mr. KENNEDY (Edmonton): It was a press report, I think. He asked for an equalization of the duty. Is there anything there to show by what means he would seek that equalization?

Mr. CARROLL: I do not think there is any secret about it. Mr. Stutchbury happened to arrive here when the Nova Scotia delegates were before the government; I met him that night and we discussed the situation. He wanted to interview the Prime Minister and other members of the government, and he declared that the desire of those he represented was that the duty on slack coal should be levelled to fifty-three cents a ton. Well, the government has not entirely complied with that request, having fixed the rate at fifty cents. But there is no doubt as to where the government of Alberta stands on this question and if any further documentary proof is needed it is to be found on the files of the Minister of Finance and the Minister of the Interior, which will give evidence as to what is the attitude of the Premier of Alberta.

Mr. GOULD: It has occurred to me that it would have been more in keeping with the professed free trade principles of the government of Alberta and of Mr. Greenfield if that gentleman had advocated a reduction of the tax on run of mine down to the level of slack coal.

Mr. CARROLL: I do not know about that. I do not know whether he has expressed any opinion publicly on that point, but I take it that Mr. Greenfield is an astute man. I had the pleasure of meeting him once, and while I am no judge of human nature I considered him in that light. I presume, therefore, that Mr. Greenfield was in accord with public opinion in the province of Alberta on this subject. My hon. friend shakes his head; well, I shall leave him to settle the point with the Premier of Alberta.

Mr. MEIGHEN: It looks as if the Progressives were no better than the Liberal party out there.

Mr. CARROLL: Both of them are very good. They are working hand in hand so far as this matter is concerned, and I am not referring to the members of this House. The Progressive party in Alberta is certainly co-operating with the Liberal party on the question of coal and I congratulate them; I have no doubt a great amount of good will follow. I was about to say when I was interrupted a moment ago that it has been suggested both in this House and outside that the coal operators of Alberta and British Columbia were opposed to the levelling-up of the duty on slack coal. I am not going to express any opinion held by the operators of Vancouver island, where there are big mines, but I will give the opinion of the mining operators of the Crowsnest pass as well as the operators in other parts of Alberta. I have here a copy of a telegram sent on March 17, 1925, from Calgary, Alberta, as follows:

HOWARD STUTCHBURY,
King Edward Hotel,
Toronto, Ontario.

Answering your wire of fifteenth stating that you are informed western operators opposed to equalization of duty on slack and run of mine bituminous coal, association to-day passed resolution favouring equalization of tariff on slack and mine run imports and favouring also the imposition of a duty on coke and briquettes manufactured from bituminous coal see my wire to Camsell January twenty-eighth.

R. M. YOUNG.

I have dealt at some length with this matter because I consider it important and I will now put on Hansard the comparative prices of run of mine coal in 1907, 1923 and 1924 to show how the ad valorem duties were affected. In 1907 the import valuation of slack coal was 65 cents a ton; in 1923, $3.63 and in 1924, $2.34. It fell to that extent in 1924 owing to the fact that coal was being dumped into this country at that time by the operators of the United States. And that is one of the grievances which the Premier of Alberta entertained in this matter. The quantity of slack coal imported into this country as compared with run of mine coal has increased tremendously in the last number of years. The import of slack coal from the United States as compared with the whole bulk of bituminous coal increased from 19 per cent to 26 per cent in the period of four years between 1920 and 1924. Here is another reason why something should be done to level up this duty.

Much has been said with regard to immigration into this country and emigration from this country. I do not think that this government or any other government should use the public funds to induce to immigrate to this country the carpet knights or the drawing

room dudes of London, Edinburgh, Paris, Vienna, or any other parts of Europe. What they should do, and what I hope they are doing, by their immigration policy is to bring in the robust European, I care not what nationality he is, who will be willing to go on our farms and into our forests, our fisheries and our mines, and to brave for a year or so the hardships which are natural to those industries; and who will not be discontented or discouraged as to his chances in this country if he does not become a millionaire the first year. We should do everything we can to keep our own people in our own country. There are some ways that this government can assist in keeping with us permanently the people we now have here. It is unfortunate that a great many of our best people go to the United States. We are trying to get them back, and many of them are coming back, but the proportion is not in favour of Canada. Part of the trouble in this country is that the calls and the claims and the clamours of our great industrial centres—I mean more particularly our great ocean and river ports—have been so strong and so insistent upon this government and other governments, and so much attention is therefore being paid to these larger projects, that the smaller things are sometimes forgotten. Let me suggest a few things which to my mind would help to keep our own people within our own borders, at little or no cost to the country.

First of all, the Post Office Department can do very much to help make our rural population happier and more contented. They could develop and extend the rural mail delivery far more than they are doing to-day, and at very little cost. Where personal mail delivery is impossible the government can do a great deal more than they are doing in giving the people of remote rural districts in every province a mail delivery at least once a day, excluding Sunday. That certainly would make for a happier and more contented people. I believe the Agriculture department also can do a great deal towards accomplishing this same end. Lines of communication should be established between the Agriculture department at Ottawa and all the remoter rural districts. One or two intelligence officers should be appointed by the Department of Agriculture in all such remote rural districts. These officers would receive instructions from the department, by mail, with suggestions as to remedies for many of the difficulties experienced by the farmers in those districts—suggestions as to how they might do better on their farms; how to conserve their forests; how generally to carry on their work in such a way as to make them happier and more contented. The Department of Marine and Fisheries could do very much to help the fishermen, without any great cost, by teaching them how better to prepare their fish for the market.

May I, without in the least desiring to reflect upon previous governments, or upon the present government, illustrate the point I tried to make a few minutes ago when I said that the wants and the claims and the clamours of our great ocean ports were overshadowing everything else and perhaps causing the government to forget that we have thousands of miles of coast line in Canada which are not being properly developed? There is a small fishing hamlet on the southern side of the district which I have the honour to represent. It was settled by French Huguenots and English and Scotch Catholics three years after the founding of Louisburg. They developed little farms there and lived contentedly by farming and fishing. The French engineers of the day, well trained in matters of practical value to the people in this little hamlet, built across the harbour for a distance of some five or six hundred feet a breakwater, I shall call it, which prevented the broad sweep of the Atlantic from destroying the fishermen's boats, fishing gear and so on in the inner harbour. For a hundred and twenty years that breakwater stood and triumphed over the assaults of the Atlantic. For a hundred and twenty years the people of that district made a living by farming and by fishing. They did not become wealthy, but they were happy and contented. Some little maintenance work was done after a hundred and twenty years, but finally in the tremendous storm that swept that country in 1910 the remaining portion of the breakwater was torn away, so that if there was any sign of a breeze from the the sea it was practically impossible for these people to get their fishing boats, of which they had about one hundred and fifty, out to the fishing grounds on the Atlantic. The government of the day were approached in the matter, and it was requested that an estimate be made of the cost of putting that breastwork into repair. It was estimated that $17,000 would do the work, and the government of the day placed in the estimates in 1911 the sum of $17,000 for that purpose. Well, bigger things eclipsed the needs of the poor fishermen of this hamlet. The reciprocity pact came on; the government went very hurriedly to the country, and a new government came in. Then

there was the war, during the period of which nothing was done. While the war was on, however, so high was the price of their product that these fishermen could live as well by fishing one day a week as they could when they fished five or six days a week before the war. Nothing much was said at that time. In 1922, however, I took the matter up with the government, but the answer was, "We have no money. We are trying to reduce expenses. We are retrenching. True, we are spending millions of dollars in bringing in immigrants, but we are retrenching." In 1923-1924 twenty-five families whose fathers and grandfathers and great-grandfathers had been the best citizens of Nova Scotia were obliged under the stress of circumstances I have related to pick up their beds and whatever they had and betake themselves to the fishing grounds of Gloucester and other parts of the United States. We are spending millions of dollars to bring in immigrants, but not a thousand dollars to prevent immigrants from going out. I am not criticizing the government in respect to this matter, nor am I criticizing former governments who refused to take action in this respect, but I am giving this note of warning that the needs and necessities of the small places in this country must not be overshadowed by the great things for which people in other parts of the country are asking.

We hear doleful tales of the present condition of Canada. We hear that the public debt is so great it is going to ruin us, that we will not be able to meet it. The public debt is well over two billions of dollars, an enormous amount, but, Mr. Speaker, if I owed two billions of dollars, and had assets of untold value mounting into the billions and billions of dollars, I would think I was fairly well off. Have we got the assets that this debt of two billions of dollars represents? Yes we have the assets, and our only lost assets are represented by the debt that was accumulated during the war, but I do not think any man in this House or in this country will say that the money we spent during the war, and the debt we thereby accumulated, was wrongly spent. Yes, we have a large debt, but our assets are enormous. Our imports are less than our exports, we are selling more than we are using, we have a surplus in that direction. I think that does not forbode disaster for this country, I think it shows that so far as trade is concerned, this country is in a healthy condition. And in that regard, Mr. Speaker, may I give the opinion of an English economist and expert in trade matters:

> Winnipeg, March 23, 1925. "I am confident the world is on the verge of the greatest expansion of trade ever seen, and in this movement towards prosperity Canada has obtained a running start,"

Those are the words of Sir George Paish. He says further:

> I anticipate higher prices for Canadian wheat over considerable period of years. Canada is ready now to increase her production greatly. The railways are there. All there is needed is farmers to till the soil, and these should be easy to get.

That is the opinion of a gentleman whom I personally do not know, but whom the Winnipeg Free Press designates as a well-known British economist.

I was somewhat surprised that even on this side of the House, in the midst even of the Liberal party, we have some people who are beginning to develop a tone of pessimism. Last night the hon. member for Kings (Mr. Hughes) in addressing this House in a very able speech suggested that the word "secession" was becoming more commonly heard in this country, and that the sentiment in favour of secession was becoming more pronounced in the Maritime provinces. Mr. Speaker, I come from the Maritime provinces, I am a Maritime province man, and I would ask: What have we got to gain by secession? What have we got to lose by secession? If there is any person either in the Maritime provinces or elsewhere who will show me that we are going to be winners by secession, I am not so hopeless in my way of thinking but that he might convert me. But I say, Mr. Speaker, we would be ten thousand times worse off than we are to-day in every one of the Maritime provinces.

My hon. friend from Kings says that we have no market in central Canada for our fish, that only two and a half per cent of our catch is marketed in central Canada. That may be true to-day, but that very condition is due to the war. Before the war, our railways carried fish from Cape Breton, Nova Scotia and New Brunswick in well-equipped refrigerator cars, and we developed a wonderful market in central Canada for our fish. When the war came, those cars were taken off. The service was resumed two years ago under the present management of the railways, and I am willing to assert that inside of two years, if this refrigerator car service is developed, we shall not have only two and a half per cent of that market in central Canada, but we shall get the great bulk of it.

Mr. HUGHES: We have the great bulk of it now.

Mr. CARROLL: No, you have not.

Mr. HUGHES: Oh yes, I have it from wholesale men in Montreal. Further, it is four and a half, not two and a half per cent. The wholesale men in Montreal tell me that less than one per cent of their fish comes from the United States.

Mr. CARROLL: Let me tell my hon. friend that Montreal does not comprise central Canada. He forgets that fact. Is his idea of the geographical situation of this country so limited that he immediately jumps to the conclusion that Montreal is central Canada?

Mr. HUGHES: Oh, no.

Mr. CARROLL: Let me tell my hon. friend that I have letters from people in Toronto, Hamilton, Guelph and several other cities in Ontario, telling me they require more fish and are not able to get it under the present freight rates that have existed during and since the war. I was surprised that my hon. friend from Kings should make those remarks.

Mr. HUGHES: The freight rates now on fish from Nova Scotia are very favourable.

Mr. CARROLL: Absolutely. But when did they become favourable? Can you establish a market in a year? We lost that market during the war. My hon. friend is like some other people in this country, who wish to become millionaires overnight. We are not capable of regaining that market in a year or two. It took eleven years to establish that market prior to the war, and it will take us ten years to re-establish it.

Let me say further with regard to this talk of secession, that in 1867 when Nova Scotia and New Brunswick joined confederation we had in Nova Scotia 330,000 of a population, and in New Brunswick 252,000, and for one hundred and twenty years those provinces had been established.

Mr. FORKE: If I may be allowed to impinge upon the debate for a moment, I would inform my hon. friend that Manitoba exports fish to St. Paul, Minneapolis and Chicago. I think we export more fish than the province of Nova Scotia. That may seem strange to my hon. friend from the Maritime provinces.

Mr. CARROLL: I am not surprised, then, that my friends in Minneapolis and other sections are so weak in brain power if they have to live on whitefish. In our part of the country we get the real stuff. I do not want to be discourteous to my hon. friend but I want to point out to him that I am not talking about duties at all; I am talking about freight rates and the available markets so far as Nova Scotia is concerned.

Mr. FORKE: I had no idea of finding fault with my hon. friend, I wanted to give him information so as to disabuse his mind of the idea that we do not grow anything but wheat out on the prairies.

Mr. CARROLL: Oh, I know. I have caught a few fish out in Saskatchewan and Manitoba and was caught as a fish out there myself too, but by gentlemen of a calibre different from that of the hon. member for Brandon.

I was saying, Mr. Speaker, that we are not in a hopeless mood in the Maritime provinces. In 1867 Nova Scotia had a population of 330,000 and New Brunswick had a population of 252,000. That was our population in those provinces after the lapse of one hundred and twenty years. In the next fifty years the population of Nova Scotia was increased to 523,827 and the population of New Brunswick, I think, to 387,860. In other words in fifty years Nova Scotia increased its population by 59 per cent, while New Brunswick increased its population by 54 per cent. Down there we are sometimes faced with serious problems as the people of other parts of Canade are. Nevertheless speaking as a Nova Scotian I want to see the great bulk of our population happy and contented. And they are going to be happy and contented. I do not believe you can find any fair-minded, thinking man in the province of Nova Scotia to-day who will see in secession any brighter days for that province than we have enjoyed and are still going to enjoy under confederation. The papers some time ago spoke of the hon. member for Springfield (Mr. Hoey) as a secessionist, which simply goes to show that when the public journals get an idea they broadcast it very freely irrespective in some instances, of whether it is right or wrong. The hon. member for Springfield is no more of a secessionist than I am. He is a broad-minded Canadian, a gentleman who has come to our shores and who has made good and will continue to make good. Speaking as a Canadian we invite millions of men of the mental and physical capacity of the hon. member to our shores.

Mr. FORKE: Hear, hear. You cannot get them, they are not made.

Mr. CARROLL: So far as I am personally concerned I shall persuade my four robust little Canadians to go on singing "O Canada, we stand on guard for thee." Let every father in Canada teach his children the same

refrain and we will have in this country in a few years, notwithstanding the present rivers and floods of pessimism, a very contented people. We have our problems but they are not insurmountable. We can solve them, we must solve them. We have the brains, we have the muscle, we have the driving force, and we have the intellectual vigour to enable us to do so. We have great natural resources, we have a wonderful country, and if we need capital we can get it both at home and abroad. What we want in order to develop in this Dominion is a tone of optimism and a feeling of broad Canadian patriotism. Speaking for the people of the province from which I come I think I can say that we have no fears for the future; it looks bright to us.

Mr. H. C. HOCKEN (West Toronto): Mr. Speaker, I join with my hon. friend who has just spoken in deploring the illness and absence of the Minister of Finance. I particularly deplored his absence last session, because I am convinced that if he had been here at that time we would not have heard "The death knell of protection" nor "The first crack out of the box." Hon. Mr. Fielding is too experienced in the work of the Finance department to have taken steps to frighten capital as was done in last year's budget. Ever since that budget was presented there has been a diffidence and a fear on the part of capital to invest in industrial enterprises which has brought us to our rather desperate industrial position.

Mr. Speaker, we have been told on several occasions that the policy of this government is "Wait and see." So far as the present budget is concerned I think I might add this much. "Wait and see, but we will not let you see it all," because the annual statement has been brought down before the end of the fiscal year. That being the case an accurate accounting of the year's business cannot be made. Instead of being provided with exact figures we are driven to estimates, and naturally these estimates have been prepared in accordance with the necessities of the government at the time. I submit, Mr. Speaker, that is an absolutely improper thing for the government to do. The national government should be an example to all business men in the country; and if any business man, or any incorporated company, prepared its annual statement in the way Canada's annual statement has been prepared for this House, that man, or that company, at least, would be liable to heavy penalties. The laws of the provinces of Canada would not permit estimated statements from incorporated companies. But this government I suppose, Sir, is above the law, and it tries to hoodwink the people by the methods that have been adopted. However, I do not think it will succeed. I, at least, will do what I can to show the people of Canada the way the government, in some particulars has attempted to hoodwink them. The government has been ably aided by its press, and has sent forth through its principal organ in this country a statement so misleading and inaccurate that I think attention ought to be called to it. In the issue of the Globe following the presentation of the budget, in 48-point type running right across the page, we find the statement that "Canadian taxpayers are $52,800,000 in pocket," the inference being that the government has saved them that amount in some mysterious way. In smaller type I read that this has been accomplished in the face of big reductions in taxation. I should like some person to tell me in what way taxation was reduced last year. In what way have taxes been reduced so as to account for the placing of this $52,000,000 in the pockets of the people? I take up the statement of the Acting Finance Minister (Mr. Robb) and I find that the loss of revenue consists chiefly in a reduction in the amount received from excise taxes,—the sales tax, the stamp tax and the receipt tax. Any person who can argue that that is a saving to the people of this country must have a very peculiar kind of mind. It indicates clearly that the volume of business transacted in this country was some hundreds of millions of dollars less last year than the year before. If that is an evidence of prosperity to any man's mind I submit he ought to take a course in elementary arithmetic and get some little understanding of business methods. The government has not reduced taxation. This government is imposing higher taxation to-day than has ever been imposed in the Dominion of Canada in all its history. It has a sales tax of five per cent against a sales tax of three per cent when it came into power. It raised the tax to six per cent and pretty nearly ruined the country, then reduced it to five per cent, and in addition to that it has imposed a stamp tax on receipts, which is an onerous and irritating tax upon the business of this country. So that, Mr. Speaker, instead of a reduction in taxation, we have an increase in taxation, and yet the journalistic representatives of this government have the mendacity to set out with the largest type they possess that the people are fifty two million dollars in pocket. The Acting Minister of Finance (Mr. Robb) did not say anything like that.

I do not think he would dare to say that, because he has a personal reputation to sustain. Indeed we have been informed this afternoon that he is something more than that. He is a superman. I admit cheerfully his agreeable qualities, and I have very high respect for his integrity, and therefore I am satisfied he would not be a party to such statements as have been made in the chief Liberal organ of the Dominion, a statement intended I verily believe to mislead, because I cannot conceive of any responsible newspaper man being in the position to write headings for a paper like the Toronto Globe being so dull of intellect as to imagine he could get away with a thing like that.

Much is made of the fact that the government claims a surplus. These claims of surpluses have been made by every legislature and every government we have had since confederation, and they are susceptible as a rule of many interpretations; but this is a very modest surplus, $1,800,000. It has to be observed that it is obtained by unwarranted estimates of the revenue for the present month, for if the revenues of the present month had been kept down to the average for the year, instead of showing a surplus they would have shown a deficit. This government says there is a surplus of $1,800,000, and it adds to that $4,000,000 of interest due from a frozen loan. Roumania and Greece owe to this country many millions of dollars. They have not paid the interest on it, and the interest now amounts to $4,000,000, a substantial sum, and the government has the audacity to say that this $4,000,000 which has been unpaid over a period of years is an asset. They do more than that, Mr. Speaker, they call it revenue.

Mr. MEIGHEN: A new asset.

Mr. HOCKEN: A new asset. They call it revenue, but they have not got it. Revenue is something you have, something that has been paid, but they put it in as revenue, added it to the surplus and make the surplus $5,800,000. I am afraid my hon. friends are following the example of the late managers of the Home Bank. They capitalized the interest on frozen loans, and that is what led them into trouble, and their eventual insolvency. We only have to carry this process a little further, up to a certain point where our natural resources will not suffice, and our assets will not be sufficient to meet the increased debt charges, then we will be as insolvent as the Home Bank. I have great confidence in the people of this country, and I do not think we are going that far, because I am looking forward in the course of the year, or possibly the next year, to the people changing their board of directors, and then we will have no more of this unpaid interest on frozen loans charged up to assets and revenues.

The government also makes a serious misstatement when it tells the country that the debt has been increased by thirteen million dollars. Well, it is something to have them admit that much. They might have added to the estimate of current revenues and reduced that a few million more, but they apparently went as far in that direction as they thought it was wise to go. But if we take the operations for the year we will find that, instead of the debt having increased thirteen million, it has increased a hundred and five millions. I will tell hon. members how it is made up and I will challenge anyone to deny the accuracy of my statement. Loans were made to the Canadian National Railway amounting to $82,000,000. Every bond has the guarantee of this government, and it is as much a national bond as if the name of the National Railway did not appear upon it at all. The credit of the country is pledged to meet those bonds to the extent of $82,000,000. Then we have an over-estimate of this month's revenue of at least $6,000,000. The minister estimates the revenue during March as $35,000,000. He has no warrant whatever for doing that. The fair thing to have done would have been to divide the year's revenue by twelve, and if he had done that he would have found his estimate $29,000,000 instead of $35,000,000, but he has added the revenue for this month which cannot be accurately revealed by any person until the end of the month, and has brought down his budget before absolute accuracy could be obtained. By that peculiar process—rather I think discreditable process—he has secured what he has presented as an asset of $6,000,000. I submit that will have to be added to the national debt, and the overdue interest of $4,000,000 which is an addition to the national debt and he has admitted $13,000,000. That makes altogether $105,000,000 which has been added to the debt of the country during the present year. I submit the Acting Minister of Finance (Mr. Robb) has offended seriously, first in capitalizing debts and calling them assets, and secondly in making excessive estimates of revenues to bolster up an annual statement which might have remained until he had presented it with the accurate figures.

I wonder, Sir, what any banker would say to a client who presented his annual state-

ment as the Acting Minister of Finance has presented his statement to this House, who laid before his banker an annual statement that was based on estimates of the last month's business. I have not a very extensive experience with bankers, but such as I have had leads me to the conclusion that the banker would say to me, "Mr. Hocken, you had better seriously and materially reduce your discounts. Your credit will be curtailed. A statement of this kind does not warrant us in giving you the credit we have been giving you in the past." Therefore, from the standpoint of the finances and the debt of this country, it is quite evident that the rosy reports that the Acting Minister of Finance (Mr. Robb) has presented to the House are not warranted by the facts. I go so far as to say that this taxation, and largely the taxation of this parliament, is strangling the business of this country It is proved in the return, in the fact that $35,000,000 less was collected this year than last year on excise account. There is no better indication of the state of business than the amount paid in sales tax, stamp tax and receipt tax. It is the most accurate barometer of business that can be produced. That reduction of $35,000,000 convicts the government of having imposed taxation that is altogether too heavy to be borne, and that it is resulting in a substantial decrease in the business of the country. It will be a great disappointment to business throughout Canada that there is no reduction in the sales tax this year. It is an impost that is hard to be borne, and it has ramifications of the most serious character upon general business.

I thought I would draw up, for the edification of the House and the special consideration of the Acting Minister of Finance, a list of taxes that business has to bear in my province, and I presume the same is true of other provinces. Every business man is under ten different taxes. He has ten different levies to meet upon his business. From the federal government he has the income tax, cheque tax, receipt tax and sales tax. From the provincial government he has the workmen's compensation tax and now he is to have a gasoline tax. In case that might be thought to be a trivial affair, there are not very large businesses in Toronto where the managers estimate that the gasoline tax means $1,000 a year in additional taxation. Those are six. Then, of course, he has the ordinary municipal taxation, real property, business tax, income tax and a frontage tax.

Mr. CALDWELL: Does the tax apply to gasoline used for commercial purposes?

Mr. HOCKEN: It applies to gasoline used for all purposes, because the tax is levied at the point of sale. There can be no differentiation between consumers.

Mr. MANION. The farmers are to be exempted.

Mr. HOCKEN: Yes. The danger of all this is that these taxes have to be added to the cost of production. My hon. friends will say that this is passed on to the consumer. No doubt most of it is.

Mr. KELLNER: I think the hon member has neglected to mention the customs tax.

Mr. HOCKEN: The hon. member can add the customs tax if he likes. I am citing direct taxes. These taxes are imposed and extensive statements have to be made with regard to all of them, so that this is another tax really because the labour involved by chartered accountants preparing these statements is a matter of heavy cost to a business of any size. Industry pays a larger proportion of the customs tax than any other portion of the people of Canada. But what I was referring to was direct taxation enforced upon business, which taxation has to be taken out of the receipts, and which makes it so difficult to do business. I know these taxes may be passed on to the consumer, but that makes the purchasing power of consumers in the cities that much less. It makes the product that the industry produces not only higher in price but smaller in volume, and this again increases the price. These taxes increase the cost of living. We are always talking about the cost of living. Everything that increases the cost of production of any article in general consumption must increase the cost of living. But these taxes also seriously embarrass trade in all its ramifications, and they make competition with the United States that much more difficult. My hon. friends have been reading the papers and they will know there have been substantial reductions in taxation in the United States. The aim of their President, Mr. Coolidge, is to reduce taxation to a per capita this year of $25. In the Dominion of Canada last year the taxation was $47 per capita. That is an additional burden upon the industry of this country and this adds to the difficulty of competing with the industries of the United States. It will not do to put that aside and say: That is immaterial; it does not count. It is one of the things that hampers industry in Canada

and that causes a great deal of trouble. It is leading to the economic penetration of the United States into the business of this country. I wonder if my hon. friends know to what extent that is going on? Business after business, some old-established concerns, are being taken over by American capital. We have one in Toronto, a business that was in operation, as I can recall, when I was five years of age. That is a good while for a business to be in operation, and it has grown to be the largest of its kind in this country I refer to the Christie-Brown Biscuit Company. That biscuit company is being taken over by the International Biscuit Company of the United States, a biscuit trust. That is only one example of the economic penetration by United States capital into the business affairs of this Dominion. It is a serious thing because, when the capital of one nation acquires control of the industry of another, it is then in a position seriously to injure that particular nation. It is not a safe proposition for any country, especially one the size of Canada, to be subject economically to a country like the United States and to have all the capital for the conduct of its industries supplied from that source. It would be a thousand times better for us if we had that capital supplied from Great Britain, with which country we are so closely related. I would not object to that so much, but I do not want the stars and stripes to wave over the biscuit factories or the factories of any other industry of this country. I have had letters recently from men doing business in Wall street, New York, drawing my attention to the extent to which American capital is invading this country and getting control of its industries, and I have been invited to express my opinion as to the future of Canada under those circumstances, because in financial circles in New York, as I am informed, this is regarded as simply a prelude to the political penetration of Canada by the United States. I am offering that, not as my opinion, but as that of a man who is doing business in the financial district of New York. At all events, I think it must be admitted by every person that it is a serious thing for Canada to have our industries controlled more largely than they are now by capital from the United States.

The result of all this excessive taxation is a general depression in industry which reacts on all classes of the community.

Mr. SPEAKMAN: Does the hon. gentleman contend that it is the excessive taxation in this country that is bringing American capital here?

[Mr. Hocken.]

Mr. HOCKEN: I am contending that the excessive taxation makes it difficult to carry on business.

Mr. FORKE: It would be the same for the British capitalist.

Mr. HOCKEN: I should be better satisfied to see British capitalists come here. Would the hon. member just as soon have American capital controlling Canadian industry?

Mr. FORKE: I have been trying to follow the drift of the hon. member's argument. I do not see what difference it makes whether we have British or American capital so far as taxation is concerned; they would both have to pay the taxes. Personally I am at one with the hon. member in this, that I would rather see British capitalists come here.

Mr. HOCKEN: Quite so. Now, the Canadian company finds it difficult to continue, and it falls into the hands of an international trust under which it can be operated cheaper than it can if conducted as a separate Canadian industry. I do not mean to say it will suffer any less from taxation because it is in American hands, but these large aggregations of capital controlling Canadian industry and operating under an American trust make it possible for them to carry on where Canadian industry would be unable to exist.

Mr. EVANS: Will the hon. gentleman say why so much Canadian capital finds its way into foreign countries? Take for
5 p.m. instance the financing of the sugar industry in Cuba and the tractor industry of Brazil, and so on.

Mr. HOCKEN: One of the faults I have to find with the present taxation is that Canadian capital will not go into industry. It gets from government guaranteed bonds of the National railways, at 5 per cent, a better return than it can receive from industry. And the capital invested in the industries of this country is at the mercy of further increases in taxation, which all makes it more difficult to operate.

Mr. ROBB: Is the hon. member aware that there is $900,000,000 of Canadian capital invested free of taxation as a result of the financing of the party he himself supported?

Mr. HOCKEN: There are government bonds exempted from taxation to that extent, yes. But I wonder how much of that is held in the United States. These big fortunes in the United States have been going into tax-free bonds at a rate to excite public attention over there on the part of the press. It is

regarded there as a serious thing, and these great aggregations of capital in the United States have purchased a large proportion of this $900,000,000 of Canadian bonds.

Mr. ROBB: Not a very large proportion.

Mr. HOCKEN: How much?

Mr. ROBB: My information is that the great bulk is held in Canada.

Mr. HOCKEN: That is broad. Let us take the case of a Canadian capitalist who is able to put his money into tax-free Canadian bonds at 5 per cent. If he put that money into anything else he would have to pay 30, 40 and 50 per cent income tax, whereas taking a low rate of interest on tax-free bonds he can still be a lot ahead.

Mr. ROBB: I admit that.

Mr. HOCKEN: And the money is being withheld from the development of industries; it is withheld from the development of our natural resources, by reason of the excessive taxation imposed upon it. I submit to the minister that in the circumstances there is nothing which this country needs so much to-day as a reduction in taxation. We cannot compete alongside the United States unless we have lower taxes. The present excessive taxation is seen in the general depression of industry and business, and we have that fully set out in the figures that have been submitted. We have for instance some $35,676,000 less collected in excise taxes than the year before; there is a shrinkage in business as represented by these figures. But the undue taxation is also seen in the departure of so many native-born Canadians to the United States to obtain employment.

My hon. friend (Mr. Forke) speaking the other night told us that the policy of the present government, as he understood it, was to reduce the cost of the necessities of life. Well, I thought while the hon. gentleman was speaking that the government had certainly succeeded in reducing one important necessity, and I will give them credit to that extent. They have undoubtedly succeeded in reducing what I consider to be the prime necessity of life, the one upon which all other necessities rest, and that is wages. The government have succeeded in reducing wages in this country. The pay envelope in Cape Breton is reduced to three days a week and it is the same in other parts of the country, while in some cases there is no pay envelope at all. So that the government is entitled to that much credit, and I freely accord it.

But not only are our people drifting over the line; unemployment has got to such a stage as to tax the resources of private charity, as well as the revenues of our municipalities. This government takes no responsibility for the unemployed; that is a matter that is not in the British North America Act. Private charity is obliged to take care of these people, and evangelists are opening soup kitchens and giving free lunches in our city. And the municipality is spending thousands weekly maintaining a house of industry. Every police station of the city is crowded each night with men who are unable to find any other place in which to lie. Not for years within my recollection have the police stations been so flooded with men who wanted beds as they have been during the past year. Now there is only one way to remedy this situation and that is by lower taxation, a little more encouragement for the industries to keep these men employed. I find no mention of these problems in the budget; they are treated as non-existent, and I am afraid that the government is not inclined to give to such matters the attention they deserve.

It is all right to talk optimism. Every little while someone who is properly heeled himself, who has a good salary, a man who perhaps is living under the protection of a public institution, makes a public speech to a Canadian club and says, "Let us be optimists". That is all right in a way; and there is no more pronounced optimist in this country than I am. But when a man has an empty stomach and nothing at all in his pocket, when he has no prospect, no bed, it is pretty hard to maintain that optimism. A man who is an optimist under these circumstances is certainly equal to that celebrated character in one of Dickens' books who thought it was a credit to himself to be cheerful only under the most adverse conditions that could possibly exist.

Mr. FORKE: Mark Tapley.

Mr. HOCKEN: That's the gentleman. It was only when he was trodden down into the ground that he felt he had a right to be proud of his cheerfulness. But it is pretty hard for a man whose stomach is empty to be optimistic. I have great faith in Canadians. I have seen them come through hard times. I have seen them tighten their belts when they could easily take up another hole in the belt without stretching it very much. On more than one occasion we have found our way back to prosperity.

Mr. CHARTERS: How about the reduction on grape fruit?

Mr. HOCKEN: Grape fruit is not very filling unless you eat the peel, and I do not know how that would agree with one's digestion. I have noticed that the usual way the people of this country return to prosperity is by way of the ballot, and I do not think that test can now be long deferred. That makes me feel optimistic.

This government seem to think that the highest type of statesmanship is to discover new sources of taxation. Instead of practising rigid economy, reducing the cost of government in every particular, they go along with no apparent effort in that direction. During the past year 1,572 new employees were appointed by the Civil Service Commission at the request of the government. Surely that is an excessive number to add to the service if the government are really desirous of reducing its cost.

I am glad, Mr. Speaker, to see that agriculture is prosperous. I am glad to see that agricultural products are commanding high prices. But I would like to see the market gardener, for whom the hon. member for South York (Mr. Maclean) spoke yesterday, prosperous as well as the grain grower. I would like to see the constituents of the hon. Minister of Railways and Canals (Mr. Graham) a little more prosperous, because he represents a market garden constituency too. All along lake Erie and in the southern counties bordering on lake Ontario there are market gardens, and I regard the people who are engaged in this work as agriculturists. I do not know what my hon. friends to my left would call them; but they are working the land; they are providing the things that the people want. But by reason of the present tariff the appetite of the public for these products is satiated before the products of our own market gardeners come in. The hon. member for Brandon (Mr. Forke) says that is the fault of the climate; you cannot beat the climate, therefore we cannot do anything to help it. But something could be done to help it. If a tax were put on these early vegetables, particularly the early fruits, then the people who wanted them could pay the tax; the country would get the revenue, and the people who are growing these things in Canada would also benefit.

Mr. PUTNAM: Would my hon. friend advocate that?

Mr. HOCKEN: Most assuredly I advocate it. I advocate higher duties on market garden produce and early fruits, with three cheers and a tiger.

[Mr. Charters.]

The government, Mr. Speaker, have acted like a body of men fearful of every step they take. The budget makes no decreases in duties because of the east, and no increases in duties because of the farmers of the west; so the government stand pat. They are like a lady who walks down one of our Ottawa streets on these slushy days and picks her steps very warily for fear her feet will get wet. But capital in this country has no confidence in the present government. The real Finance minister—the sick Finance minister, rather—would not have frightened capital as it was frightened last year by at least three members of the government. He would not have put capital in the position of being fearful of investment. On the contrary, I think he would have done what he had promised to do, maintain a stable tariff. He would thereby have incurred. perhaps, the disapproval of my hon. friends to my left, but his knowledge of affairs and his experience—

Mr. EVANS: They have seen the error of their way.

Mr. HOCKEN: Yes; the experience and the judgment and the ability, represented by the Minister of Finance, lay on a sick bed, and they saw the error of their way. They not only made reductions in the tariff, but they frightened to death anyone who could understand what was meant by "the first crack out of the box."

There is another matter to which I want to refer, namely, the export tax on power. Before dealing with that, however, I would like to suggest that if the government really wanted to encourage industry in this country; if they wanted to enable the country to get the maximum benefit from its natural resources, they might have put an export tax on pulpwood, or if you like, an embargo on pulpwood. There is nothing I can think of that would so certainly add to the industrial wealth of Canada, without in the slightest degree requiring a tariff, as the development of the paper making industry here. We allow our wood to be cut down and sent out as wood, by the cord, getting for it what is a mere trifle, instead of taking the legitimate and self-preserving method of saying, "This is a great natural resource of this country, and we are going to have it manufactured here; we are going to send out the finished product or we shall not send it out at all." If the government took that stand, paper mills would be established all over the provinces of Quebec and Ontario, and the favourable balance of trade would be very materially increased.

Mr. WARNER: Would that not likely be United States capital?

Mr. HOCKEN: If it was United States capital the pay envelope would go to Canadian workmen, and the Canadian grocer would get his trade, the Canadian shoemaker would get his trade and the Canadian farmer would get his trade.

Mr. WARNER: I thought the hon. gentleman was afraid of United States capital.

Mr. HOCKEN: I am not so sure it would be all United States capital. British capital is available for sure-fire industries, and there is no reason why others than the Sturgeon Falls mill, which is operated by British capital, should not be established on a similar basis all over the two provinces. You can only keep our own population at home by giving them work, and when you give them work and let them earn good wages, as paper mill men do, then you have a state of general prosperity for the merchant, for the farmer and for everyone concerned—even for the banker, although my hon. friends to my left do not care very much about him.

Mr. MacLEAN (Prince): I see by your own paper that they are coming home.

Mr. HOCKEN: Does my hon. friend deny there is a substantial exodus to the United States

Mr. MacLEAN (Prince): No, but they are coming home under this government, I am glad to see.

Mr. HOCKEN: How many are coming home?

Mr. MacLEAN (Prince): In the last month, 44,044.

Mr. HOCKEN: And 160,000 went away in the same period. If that is the kind of exchange that is going on, and if my hon. friend is satisfied with it, I beg to say that I am not.

I want to say a few words, Mr. Speaker, on the tax on power. This will produce a revenue, we are told, of $400,000. Well, $200,000 of that tax will be paid by the municipalities of Ontario. It will not be paid by those who use the power, because the power contracts that exist in the province of Ontario are for long periods, and it has been necessary for the municipalities to take over those contracts when they took over the plants which are providing the power sent across the line. The municipalities own those plants. The Toronto Power Company and the Ontario Power Company together are sending out approximately 100,000 horse-power. They must continue to send it out at the price they are now getting, and all that this tax means is that the consumers of power in Ontario will have to pay this $200,000 to the Dominion government. If the idea were to exact a tax and get some revenue from one of our natural resources sent out of the country—and I cannot conceive of any other reason—then it absolutely fails so far as the province of Ontario is concerned, because, as I say, these contracts exist and must be carried on for a considerable period by the municipalities that own these plants. But that is not the material objection. I want to say and I venture to assert, Mr. Speaker, that the time will come when what I say now will be recalled in this House. A real act of statesmanship, so far as this power is concerned, would be to place an embargo on the export of power. I do not know, and I do not care, whether anybody else in this House agrees with me, but I am prepared to stand by that proposition, because in my opinion it is one of the most important that faces Canada. Twenty years ago electrical power meant nothing to the people of this country. It was used in small quantities then, but since that time, and coming down to to-day, hydro-electric energy has become a commodity that is required in practically every home and every municipality and every industry, and for this country, which has a large quantity, and can develop much larger quantities, to go on exporting that power when it is as certain as that day follows night that in a short time we will be wanting it for our own purposes is a policy that I think is about as stupid as anything that could be adopted.

Mr. SNOWBALL: May I ask the hon. member if there is any loss in that power now going out? Will not the power be there next year, or has it gone forever once it has crossed the line?

Mr. HOCKEN: When that power is once exported it is practically gone forever. No man in the United States will make a contract for power unless it is for so long that at the end of that period it will be impossible for this country to recover its power. The cost of installation for the use of large units of power is so great that nobody on the other side could afford to invest capital in such an enterprise unless a continuous supply of power was assured over a long period.

There is a proposition for the development of power now at Carillon Falls. According to information that I have, they will develop there 400,000 horse-power, and only 100,000

of that horse-power is to be reserved for the use of the people of Canada. Three hundred thousand horse-power of the amount developed at that point is to be exported to the United States, and it is to be exported on a twenty-five year agreement.

Mr. ROBB: Where does my hon. friend get that information? What is the basis for making that statement?

Mr. HOCKEN: I got it out of one of the newspapers. That is the common talk. It was stated in the city of Quebec yesterday.

Mr. ROBB: The government have not heard of it.

Mr. HOCKEN: There are a great many things the government do not hear of first. There is no doubt they are developing the power there.

Mr. ROBB: So far as I know they have not put a pick in it yet. They have not got a contract.

Mr. HOCKEN: They have not got a contract? Well, it has been talked of for some time, and it has come down to definite propositions and definite figures in the press of yesterday; I am quoting from the press of yesterday. However, I am quite content, if it suits my hon. friend, to let that go, and I will make my argument on something else.

It may be argued that an embargo on power would offend the United States because it is an unusual proceeding to take. But the conditions are unusual with regard to power. Power is not like any other natural resource. It occupies a position all by itself. I want to point out that if an embargo is not put on now, an effective embargo cannot be put on later. After we have exported, and are exporting, large quantities of power to the United States for a considerable period, it will be impossible for us then to put an embargo on the export of power without grave international complications. While the United States might be offended at such an act on our part to-day, they would have much greater right to be offended if we took that action after a lapse of twenty or twenty-five years, when we discovered that we had made a mistake and wanted to undo it. I submit, Sir, that electric power generated by water is the greatest of all our natural resources. It is something that is perpetual. It is not like a mine that can be dug out, and then it is done; but it is something that runs on perpetually, and is of such a peculiar quality that there is no other natural resource the nation has to compare with it. It affords us in the Dominion of Canada perhaps the most substantial hope of successful competition with the United States in industry. Cheap power to a large industry is an important consideration, and with Canada possessing the tremendous volume that it does to-day we will be in a position as we develop to compete with the United States on a lower duty than would otherwise be the case, because this will act as some measure of protection.

Power is a commodity which is used in almost every phase of community life to-day. The municipalities add to the pleasures and comfort of life by electric lighting, and by the use of power for their municipal services, and in many other ways. It is used all over any city where there are elevators. It is used in industries so that western Ontario has become practically a hive of industry, with large developments since this power was available for industrial purposes. It has facilitated the growth of industry in western Ontario to a greater degree than any other single factor, and it is providing in our homes, and upon our farms—in farm homes as well as in city and town homes—conveniences for the wife, for the husband and for the whole family. There is nothing that touches the lives of our people more intimately to-day, financially, socially and municipally than this tremendous asset that we have, and for that reason I submit that it should not be exported.

Let me just indicate to my friends what a development there has been during the last few years. I take you back only about two years to the installation of the Chippawa plant when the first generator was installed—only two years and yet 400,000 horse-power is being generated now. Every horse-power is sold and the people are clamouring for more. There is a demand for more power notwithstanding that big development. That has not gone into industry because I venture to say there is less power being used by industries in western Ontario to-day than there was two years ago. There are fewer industries working and none of them are working double time. That has all gone into the homes and into the municipalities, into making life more pleasant and agreeable to the people of our country. I deduce from that, Mr. Speaker, that if we had a million horse-power developed in this province it would not be very long before every horse-power would be in demand in Ontario, and it would be used for the benefit of industry and for the benefit of the people in every walk of life.

I think we are only at the beginning of the advantages to be obtained from the generation and distribution of this wonderful new

agency of civilized life. I do not think any person can stand here to-day and forecast the future. In the future more electrical power will be needed in this Dominion if we can estimate from the experience of the past. We only have to go back about twenty years when Mr. P. W. Ellis, of Toronto, and Mr. Patinson of Brantford, made their first investigation as to whether it would be feasible to develop power at Niagara Falls and sell it to the people of Ontario. That is not more than twenty years ago, and while I have not got the figures I venture to say that there is a million horse-power being generated and sold in the province of Ontario to-day. If that has been our experience in the last twenty years what is going to be our experience in the next two decades? And have we not a right to look further than the next twenty years? Have we not the right to try and get a vision of the future needs of this country and prepare for them, protect those future needs by what we do to-day?

So far as my own province is concerned this export tax is not serious. It means $200,000 to the municipalities but I guess they can stand that better than they can stand some other things. I do not know that an export tax is going to hurt the province of Ontario seriously, but it may be different with the province of Quebec under the conditions that exist in this country to-day. I have no particular brief for the province of Quebec, except that I like to see every part of our country prospering to the highest degree possible. But I should like to try and convince my hon. friends who represent that province that they are in a dangerous position with regard to the export of power, and they need an embargo many times worse than does the province of Ontario. In the latter province the provincial government has given the municipalities control of the power developments, and they will control those power developments in the future. The province of Ontario, fortunately, is in a position to protect itself against the export of power, and all the power that is generated within its precincts will be used for the benefit of the people and for the development of industry in the province. But the conditions are different in the province of Quebec. There the legislature has been somewhat short-sighted; they never caught the vision of the public ownership of the generation and distribution of power, and all the power developments are now in the hands of private capital. I am not going to discuss the wisdom or otherwise of that except to point out that it leaves the province of Quebec in a hopeless plight so far as the preservation of its power is concerned unless there is an embargo. If the embargo is not put on until 50 or 75 per cent of the power generated in Quebec has been sold then the restriction will be impossible. What will be the result? That this great agent for industrial development, this extremely valuable accessory of the development of industry will be denied to the province of Quebec; it will be enjoyed by the adjoining province to the west.

Mr. CAHILL: Does my hon. friend argue that the province of Quebec has no right to put an export duty on power exported from that province, to put an additional tax on power used outside the province?

Mr. HOCKEN: I do not think the province has any such power.

Mr. CAHILL: They are doing it now.

Mr. HOCKEN: I do not think the province has any such power. I am not speaking as a constitutional authority, but it would surprise me if any province has the power to put an export duty on anything. However, I submit this in reply to my hon. friend; Let these private owners, these "power barons" as they are called, develop all the water powers of Quebec; let them make long-term contracts and send that power over to the United States. In that case I venture to predict it will never be recovered for the people and that province, which in some other particulars has advantages for industrial development, will lose what, after all, is the greatest advantage it could possibly have. I do not know whether those who represent the province of Quebec in this House will think it worth while to consider seriously the position as I present it, but I submit that it is one they ought to consider. If there were a man in the province of Quebec with the vision of Sir John A. Macdonald, who foresaw what the result of building the Canadian Pacific railway would be, who could arouse the people of that province to the necessity of the preservation of their own white coal, their own electric energy and power, he would be serving that province in a most eminent degree.

Mr. BELAND: May I interrupt my hon. friend for a moment. In his most interesting remarks he pointed out a few minutes ago that the province of Quebec had no power to impose an embargo on any resources of the province of Quebec exported to the United States. Strictly speaking that is

true, but I am certain my hon. friend will not hold the view that the government of the province of Quebec have not the right, for instance, to impose a larger stumpage duty on lumber or timber cut in Quebec which is not destined to be manufactured within the province. I think I am perfectly right in stating that if the province can exercise that power as regards timber it can also exercise the same power in respect of electric energy if that power is not intended to be used within the limits of the province. That is what I submit very humbly. I am not an authority on the subject but I presume the provinces have that right and power.

Mr. HOCKEN: Well, Mr. Speaker, I am not a constitutional authority on that particular point. I know, of course, that the government of a province can regulate the conditions under which its timber goes out. Still I submit this: Once that power is sold and sold on long-term contracts extending over a period, say, of twenty-five years certain vested interests are established, and the recovery of that power at the expiration of that time would be exceedingly difficult if not entirely impossible, and might result in serious complications with the neighbouring government. There would be immense sums invested in installations, we will say in Lynn, Massachusetts, where perhaps seventeen or twenty million dollars would be invested in transforming, and distribution plants. I say that these vast investments of United States capital would be most influential in preventing an embargo or a restriction being put upon the export of power that would keep it for the people of Quebec.

This is a question that I think should be considered, not from the standpoint of immediate profit, but from the standpoint of the future needs of this country, and I feel quite sure if it is treated in that way that the wisdom of placing an embargo upon the export of power will appeal to the business men of this country. Give Massachusetts cheap Canadian power—and they are getting it for sixteen dollars a horse-power, we are informed by the press, while they are paying thirty dollars in Montreal—give Massachusetts cheap Canadian energy, and deny that privilege in full measure and in sufficient quantity in Quebec, and how are they going to compete? My policy would be to keep in this country that one thing which will bring the industries of Massachusetts, to Three Rivers, St. Hyacinthe, and to Sherbrooke for instance, and provide labour for the people there. Retain the present population, bring in more population and thus add to the general prosperity of the country.

I will close with the prediction that the time will come in this House when it will be recalled that an effort was made on this occasion to persuade the government to place an embargo upon the export of electrical energy from this country to the United States.

Mr. A. E. MacLEAN (Prince): In rising, Mr. Speaker, to make some observations on the budget, I think I should be permitted to make reference to the passing away of two very distinguished men of the county which I have the honour to represent, gentlemen who were very well and favourably known not only in our own province but throughout the great Dominion, especially in the city of Ottawa. I refer to the deaths of the late Senators Yeo and Murphy. Needless to say, those men gave of their best to the public and did their utmost to promote the interests of the province which they had the honour to represent.

I wish to refer for a moment to some observations made by the hon. member for West Toronto (Mr. Hocken). It was not my pleasure to hear him all through his remarks, but this question of the export of power is possibly a very important one. However, I think we need not worry too much about the province of Quebec. If we look at the financial situation of that province we must be impressed with the fact that they are certainly well able to look after themselves. The policy which they have followed with such success in financial matters will no doubt impel them to look very carefully into matters of this kind before taking any action which will injure that province in any way. We know that our friends representing the Conservative party have been very eloquent in their different speeches and resolutions in reference to the development of our natural resources. The development of this power is the development of one of our natural resources, and if that excess power cannot be utilized in Canada at the present time to good advantage, I do not see anything wrong in having capital come in to develop this power and have it exported. I think the government has gone a step in the right direction in putting a tax on the export of this power, and perhaps an embargo might be all right. The tax is the first step along that line, and it shows that the government has not been negligent in its duty and has not overlooked this matter. My hon. friend generally presents to this House some arguments with which nearly all of us agree. One question on which we can agree with him,

and on which we can compliment him, is the stand he took with reference to the civil service question, and I am only sorry that more of his friends in that quarter of the House do not share his views in the matter, because I am quite sure that in that particular field, following his suggestions, a great saving could be made to the country.

Before attempting to make any further observation I wish to express my sincere regrets that the hon. Minister of Finance (Mr. Fielding) is not able to be present with us in the House again this session, but I wish to congratulate the Acting Minister of Finance (Mr. Robb) on the budget he has presented and on the splendid showing he has made in the face of conditions over which this government has no control which have caused a falling off in our public revenues. My hon. friend the ex-Minister of Finance (Sir Henry Drayton) may take exception to the statement "over which this government has no contral." I hope to be able to show as I proceed that what I have said is in exact accord with the facts. I wish at the outset to take exception to the statement by the hon. ex-Minister of Finance that the reduction in revenue can be laid at the door of this government. This is not a fact. It is more on account of there being less goods imported into this country than to any reduction in duty that has been brought about by this government. If we take the trade figures of last year and compare them with this year, we find that imports were about seventy millions in excess of this year. Then, if we take this year's importation and apply last year's duties, we find that the loss of thirteen millions is not due to the reduction of duty, but to falling off in importations. This he will admit.

I know my hon. friend is quite an expert at reasoning away certain facts and giving such facts as he accepts an altogether different meaning, but I do not think he will go quite so far as to try to reason that the reduction of duty is the cause of less importation. So he cannot attribute the loss of importation to reduced duty.

Sir HENRY DRAYTON: Does my hon. friend think he is representing my argument correctly in his attack?—because I want to disillusionize him of the idea. I did not argue anything of the kind, and I never drew any such conclusion. Perhaps it would be fair for me to put my hon. friend right. I said that the government were indirectly responsible for this tremendous loss of revenue, because they had by their policies stopped business, checked enterprise and created an exodus.

Mr. MacLEAN (Prince): I do not think I was very far astray in my observations. I find that the goods were not imported. My hon. friend has endeavoured to lay this at the door of this government. The point I wish to make is that it is impossible to do that. Does my hon. friend contend that it would be much better for the people of this country to buy goods which they do not need and to pay this $13,000,000 out in duties plus the cost of the goods?

Mr. MEIGHEN: The hon. gentleman is mistaken. We contend that it would be far better if the tens of thousands of people of this country who cannot buy the goods they need, were able to buy them.

Mr. MacLEAN (Prince): I will leave that to the judgment of the people themselves. As the old saying goes, they can cut their garment to suit the cloth.

Sir HENRY DRAYTON: That is what they are doing.

Mr. MEIGHEN: They have no cloth or garment either.

Mr. MacLEAN (Prince): If they do not need the goods they would be very foolish to buy them. The fact is that the people have not imported the goods and, therefore, it cannot be attributed to this government, it cannot be argued that the loss of revenue in that respect is due to a reduction in the duty. Our friends seem to be very much grieved that the people have not paid out this money. They would much rather that the people of this country were out this $13,000,000 plus the cost of goods—goods they possibly do not need. The people are to be congratulated on showing their good sense in not entering upon reckless and unnecessary expenditure in buying goods which they do not require. It is rather amusing that the only applause which my hon. friends in that section of the House generally get is when they can refer to some business closing down. I do not think that is a good spirit to show. We have always had business failures and we shall always have business failures, no matter what government is in power. I am quite certain that if my hon. friends look over the failures which have been reported for the last number of years and compare them with the failures of the last three years, they will find there is no difference in that regard.

Coming to the finances of the country, I find it rather amusing to see our friends in that corner of the House worrying in case there might be a small deficit. Last session they wasted a great deal of energy in trying

to wipe out a surplus of from thirty to thirty-five million dollars which was in the budget of that year. This year, with expenditures amounting to $342,177,000 and estimated receipts of $344,000,000, the government have again balanced their budget, and they are able to show a surplus over expenditure of $1,823,000. No wonder the Acting Minister of Finance (Mr. Robb) used the expression that this is something in which all Canadians may feel a justifiable pride. The leader of the opposition, I see, smiles very graciously at that statement.

Mr. MEIGHEN: He might as well have left out twenty or thirty million more and had a bigger surplus. It is too bad to have it as small as that.

Mr. MacLEAN (Prince): If my right hon. friend will have a little patience, I will deal with that subject later on. It is also gratifying to note that over $4,000,000 of an adjustment of loans to Roumania and Greece exists, and that bonds for this amount have been issued and transferred to this Dominion as an active asset, which, if added to the surplus of $1,823,000, makes a surplus of $5,823,162. In addition to this, it has been shown that there is a reduction of $270,650 in the standing public debt. All of this shows that we are making progress in the right direction. It is also shown that there is a reduction in interest charges on refunding loans, and this will mean a saving of over $2,600,000.

Our hon. friends opposite have endeavoured to argue this away, but under the signed declaration of chartered accountants it has been proved that these accounts are absolutely correct. How does this compare with the financial showing made by our friends opposite? Let us take the last year that they were in office. In 1920-21, their estimates for that year alone were $758,000,000, to be met with a revenue of less than $400,000,000. Will my hon. friends deny that?

Mr. MEIGHEN: I think it is all wrong.

Mr. MacLEAN (Prince): Had they been returned to office, the country would have been presented with another deficit of over $300,000,000, to be added to the long list which they had already left, which is as follows:

Date	Deficit
1914..	$ 21,000,000
1915..	113,000,000
1916..	165,000,000
1917..	264,000,000
1918..	312,000,000
1919..	382,000,000
1920..	674,000,000

[Mr A. E. MacLean.]

In 1920 they capped the climax with a deficit of $674,000,000. This was with the dollar below par and hundreds of thousands of dollars being paid out for soup-kitchens throughout the country. It is really amusing to have our friends come before the House at the present time and endeavour to read a lecture to the Acting Minister of Finance on financing. I think it comes with very poor grace from my hon. friend opposite to attempt anything along that line.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

THE RESTIGOUCHE LOG DRIVING AND BOOM COMPANY

Mr. PIUS MICHAUD (Restigouche and Madawaska) moved the second reading of Bill No. 33 respecting The Restigouche Log Driving and Boom Company.

Mr. MEIGHEN: Explain.

Mr. MICHAUD: This company was incorporated by act of the legislative assembly of New Brunswick in 1879, and by chapter 155 of the statutes of Canada 1910 the name was changed from The Restigouche Log Driving Company to The Restigouche Log Driving and Boom Company. The petitioners were incorporated, and chapter 155 of the statutes of Canada provides, as regards the powers of the company, as follows, in section (28):

> The company may construct, acquire, charter, navigate and maintain tugs, boats, dredges and other craft for towing logs and for other use in and about the said booms, and also may, for its own use, construct, acquire and operate telegraph, telephone and electric light lines in connection with its business and works upon the Restigouche river.

Section (29) provides:

> The directors may issue bonds of the company to the extent of $150,000 par value, which bonds shall be a first lien upon all the plant, property, assets, rights, credits and revenues of the company and upon all logs being the property of the members of the company, from year to year handled by the company while such logs are in the possession of the company or under its control, and shall be secured thereby.

Under the present legislation, it is provided:

> (1) In addition to the bonds authorized by chapter 155 of the statutes of 1910, the directors of The Restigouche Log Driving and Boom Company (hereinafter called "the Company") may issue bonds (hereinafter called "renewal bonds") of the company, not exceeding in the whole the sum of $150,000 par value. The directors may, at any time, issue a part of such renewal bonds equal, in the aggregate, to the par value of those of the bonds authorized by said chapter 155

(hereinafter called "old bonds") which have matured and have heretofore been paid by the company, and hereafter, as and when any old bond or old bonds mature and are paid by the company, the directors may issue in place thereof respectively a renewal bond or renewal bonds, from time to time, for an amount or amounts, not exceeding the par value of any such old bond or bonds so maturing.

The bill further provides:

Any such renewal bonds so issued to replace any old bond or bonds which have heretofore been paid by the company or which shall hereafter be paid by the company, shall be distributed pro rata to and amongst all those persons, firms and corporations who, as members of the company in the fiscal year in which any such old bond or bonds have been or shall be paid, have contributed, or shall contribute by tolls, or assessments towards the payment of each of such old bonds. Such renewal bonds shall be distributed to such persons, firms and corporations in the proportion that the amount paid by each such person, firm or corporation to the company for tolls, or assessments in such fiscal year bears to the total amount received by the company from its members therefor in such year.

What the petitioners desire is a renewal of the old bonds.

Motion agreed to and bill read the second time.

SECOND READINGS

Bill No. 34, to incorporate the British Consolidated General Insurance Corporation.—Mr. Irvine.

Bill No. 35, respecting The Mutual Life Assurance Company of Canada.—Mr. Mewburn.

Bill No. 36, to incorporate Guaranty Trust Company of Canada.—Mr. Chevrier.

THE BUDGET

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

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

Mr. A. E. MacLEAN (Prince): Mr. Speaker, when the House rose at six o'clock I was referring to the financial situation and I had outlined some of the deficits that had been left by the previous government. I may be permitted to analyze briefly the cause of some of those deficits incurred under the regime of our hon. friends opposite. I made some reference to the consolidation of the interest which was due on the loan to Roumania and Greece. I think we can congratulate this government on attempting to do something to have this account put in a satisfactory condition. As you will remember, this loan was made at a time when the financial resources of Canada were taxed to their very utmost. Our friends who are today so critical of the country's finances seemed to be reckless of them at that time and were willing to plunge in and spend money in almost any way that could be found. In fact one would almost imagine they were looking for some channels into which they could turn the public moneys of Canada. In that connection I wish to refer briefly to Hansard of May 18, 1921, and to a speech made by the hon. member for Chambly and Vercheres (Mr. Archambault) on that day. He said:

I now come to a very interesting matter and one with which I dealt to some extent last year, I mean the credits extended by the government to Greece and Roumania. Although I spoke upon this question last year there have been some further developments, and I believe I shall be able to convince you, Sir, that the high standard of political morality in this country has remained unimpaired according to certain mentalities that we find in this House. Sir, in our efforts to probe the morality evidenced in connection with these credits let us examine the whole subject. It will be remembered that in the month of May, 1919, the then Minister of Finance, Sir Thomas White, asked this House to vote these credits because the population of Roumania was starving and needed food; and I can well remember the right hon. gentleman saying at that time, "Will the population of Canada remain unmoved and not help the population of Roumania which is now starving?" Well, Sir, two credits of $25,000,000 each were opened, one for Roumania and one for Greece. Of this amount, $26,989,000 has already gone and only $3,500,000 has been spent on food.

This very small loan, out of $50,000,000, was all that our hon. friends were able to spend on foodstuffs for the starving people of Roumania; and you will note, Mr. Speaker, that that was the excuse for granting the loan. I quote further:

The hon. member for Megantic (Mr. Pacaud) said the other night that the government of Canada, in answer to a merchant in Belgium who asked that food should be exported from these moneys, said that only one-fifth of the credit to Belgium could be devoted to the purchase and exportation of food. Now, Sir, a return was brought down last year to an order of the House—I refer to "Sessional Paper No. 147." This return shows conclusively that companies controlled by the Minister of Marine (Mr. Ballantyne), the hon. member for Haldimand (Mr. Lalor), the hon. member for Brantford (Mr. Cockshutt), the hon. member for Lincoln (Mr. Chaplin) and the hon. member for St. John (Mr. Elkin) had sold goods for export which had been paid for by the government. I was under the impression that the disclosures of last year would have had their effect and that there would not be a repetition of any such transactions; but although since April 19, the government of Roumania has defaulted in two or three payments of interest, and probably Greece also, more of this money has been going to favourites of the government, and a further sum of $5,342,077.32 has been advanced. On March 4 an order of the House was passed for a return showing:

1. The amounts loaned or the credits made by the government of Canada since the 19th of April, 1920, (a) to Greece, (b) to Roumania.

2. The respective dates of these loans or credits to (a) Greece, (b) Roumania.

3. The nature of goods bought by the government of Canada (a) for Greece, (b) for Roumania.

4. The names of corporations, firms or persons from whom these goods have been purchased, (a) the nature of the merchandise in each case, (b) the amounts paid by the government to these corporations, firms or persons in each case and also the date of said payments.

Mr. MEIGHEN: Will the hon. gentleman tell me what rubbish he is reading.

Mr. MacLEAN (Prince): I am reading from Hansard of May 18, 1921.

Mr. MEIGHEN: Whose speech?

Mr. MacLEAN (Prince): Under his own government—a speech, as I stated, delivered by the hon. member for Chambly and Vercheres. I suggest to my right hon. friend that that would have been a very good time to have applied the closure.

Mr. MEIGHEN: It would have been better applied.

Mr. MacLEAN (Prince): Yes, for my hon. friend. He said further:

Although the Minister of Militia in discussing the estimates of his department the other day denied that any goods belonging to the Militia department had been sold to Roumania or Greece, I find at page 3 of the report the following—I am giving the various sums in round figures:

Militia and Defence:	
March, 1920, military equipment	$ 36,000
May, 1920, military clothing..	325,000
April, 1920, dubbin..	3,000

I do not know that I need read it all, because I know it is not agreeable to our friends opposite to hear this history. But it is very important at this time that the House should know the causes of the huge deficits which were rolled up at that time. If hon. gentlemen opposite can give a satisfactory explanation of these expenditures I shall be glad to take my seat to hear what they have to say.

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

Mr. MacLEAN (Prince): With pleasure.

Mr. MEIGHEN: I really wondered what imagination gifted with mendacity could possibly have prompted the utterance of such rubbish as the hon. member read. The government had nothing whatever to do with the placing of any contracts at all or with the selection of the goods, nor is it a fact that any company controlled by the gentlemen mentioned got even those contracts. The gentlemen mentioned, I presume, were interested in some companies whom the commission appointed by the Roumanian and Grecian governments bought goods from, but just as many Liberal members of parliament were connected with companies that sold as were Conservative members of parliament. That was demonstrated over and over again. The government had nothing whatever to do with it.

Mr. MacLEAN (Prince): I do not for one moment excuse any Liberal or any Conservative—

Mr. MEIGHEN: He does not need an excuse. The Liberal was just as honourable about it as the Conservative. It is the reading of such rubbish by the hon. gentleman that I object to.

Mr. MacLEAN (Prince): I thank my right hon. friend for reading me a lecture. I am ready to take all that he chooses to hand across, as it is emphasizing my point.

Mr. MEIGHEN: You need it.

Mr. MacLEAN (Prince): I wish to point out that the names are on record of the different parties who were interested and to whom large amounts were paid. The story is familiar to a great many members of the House, but when we are read a lecture on the financial situation of to-day as compared with the financial situation under hon. gentlemen opposite, I think it is time for some hon. member of this House to rise up and protest and show some of the things that have taken place under the regime of hon. gentlemen opposite. The hon. member for Chambly and Vercheres went on to ask a question about supplies, and said:

That is your opinion. I find also that the Department of Militia and Defence sold to Greece the following:

Brushes..	$ 11,728
Boots..	635,000
Braces..	8,320
Denim..	38,000
Sweaters..	150,000
Blankets..	876,000

These are all items which I do not think the government of Canada can escape responsibility for. They were sold either by the government or by a department which was, or should have been, under the government's control. I do not propose reading any further, but there is a great deal of information contained in this speech, and I refer hon. members and the country at large who wish to go into this matter any more fully to Hansard of May 18, 1921, and they will find many names of men of the government of that day in this interesting transaction.

Coming to the amendment that was moved by the hon. the ex-Minister of Finance (Sir Henry Drayton) the other day, I notice that one of the first items he mentioned in his amendment is the sales tax. He says:

> Conditions in Canada urgently demand reductions of taxation, especially of the sales tax and other levies which have been increased by the present government; the House regrets that the financial statements now presented show no evidence of the economy necessary to make such reductions possible, but rather disclose an alarming increase in the public debt.

My hon. friend refers in the first instance to the sales tax. I wish to submit a statement in that connection to show that there was a loss of revenue due directly to the reduction in the sales tax of last year.

The decrease in revenue this year is estimated to amount to about $52,800,000 brought about by a decrease in customs duties collected of about $13,300,000, a decrease of excise taxes of $35,676,000, the chief source of this tax being the sales tax and a decrease of about $2,353,000 from delayed business profits tax. These decreases were offset to some extent by an increase of about one million dollars in excise duty and about $2,300,000 in income taxes collected.

The revenue of this country, which is estimated to be about 344 million dollars, is taxation, and it is evident that a decrease in revenue is a decrease in taxation. Our estimated population at present is about 9,225,000. Therefore, this decrease in taxation means a saving in taxes of about $5.75 per head for each man, woman and child in this country.

This was brought about by reducing the duties on agricultural implements and on the materials imported for the manufacture of these implements, and by removing the sales tax from all the articles and materials consumed in the process of manufacture of these agricultural implements, as well as by reducing the sales tax from 6 to 5 per cent. Like reductions were made in the duty payable on articles relating to the fruit growing industry, poultry industry, dairying industry, mining and quarrying industries, the lumbering and fishing industries. The sales tax was removed also on these articles. The list of exemptions was increased among which we find, binder twine, cream separators and others.

These reductions have no doubt stimulated our Canadian industries, the result, as I have showed, being that we imported 70 million dollars less for the period covered by the eleven months ending February, 1925 than during the eleven months ending February, 1924. Although this meant a loss in revenue of about twenty million dollars, it decreased the burden of taxation on our Canadian people to that extent, as well as encouraged our Canadian people to supply the decrease in importation by enhancing Canadian production to supply our demands.

So I do not think that the ex-Minister of Finance could very well prove his contention that the sales tax was immaterial, or that the reductions that were effected last year did not mean a reduction in the revenue and also a big reduction in taxation.

I wish now to refer to another matter which always receives a great deal of attention in this House; I refer to the question of the tariff. I hold in my hand a resolution which has been standing on the order paper in the name of the right hon. leader of the opposition since February 5. It starts out by saying:

> This Dominion requires an immediate revision of the Canadian tariff on a definitely and consistently protective basis.

So evidently there is no doubt in his mind but that this is the proper course to pursue. Higher protection. He goes on to say:

> That such revision should apply to natural products such as farm products, fish, and coal with no less thoroughness than to manufactured goods.

I would like the hon. gentleman to explain to the House what benefit a protective tariff would be on agricultural products. A protective tariff against goods of which we have a surplus cannot be effective. The hon. gentleman will admit that water cannot rise above its own level, and this is a similar case; American agricultural products cannot come in here unless there is an absolute shortage on the Canadian market. As far as the duty is concerned on American fish coming into Canada, any man in the Maritime provinces or in any other part of Canada who has any knowledge of the fishing industry will admit that the only market in which the Canadian fisherman can obtain remunerative prices for his fish is the American market. Again, I would like any hon. gentleman in this House to point out where American fish is supplanting the Canadian article on the Canadian market. To my mind the mention of fish in this resolution is simply propaganda, an endeavour to appeal to the fishermen. It has really no significance.

If I wished to go into that a little further, I might submit figures to show that the total imports of fresh fish from across the border into the whole of Canada from the Atlantic to the Pacific amount to only $364,000, and of this amount, $233,000 is for oysters, or what are known as shelled oysters, which are imported into Canada under a duty of 10 cents per gallon. I leave it to the people

of Canada who consume this article whether in their opinion the policy advocated by the right hon. leader of the opposition in his resolution is in the interests of this country. Those oysters cannot come into the Maritime provinces because they would not be used there even if they were brought in and given away free. It is only in the extreme western sections of Canada where it is possible to sell these American oysters. The few oysters that we do have in the Maritime provinces to ship at the present time find a ready market in the cities of Quebec and Montreal and in the Maritime provinces themselves, so that the word fish in this resolution is pure political propaganda.

The next paragraph refers to the conservation and development of our natural resources. No fault can be found with that, but every member on this side is just as anxious to see our resources properly developed as hon. gentlemen opposite are.

The next paragraph is more or less of a surprise coming as it does from the Conservative party who on different occasions have endeavoured to make the people of this country believe they were the great imperialists and had a monopoly on this side of the water, of patriotism and loyalty to the Motherland. Still we find this paragraph goes so far as to state that hon. gentlemen opposite are in favour of withdrawing the British preference already granted to Great Britain and which is an inducement for goods to come through Canadian ports. Their excuse for this policy is that it is in the interest of the workers of the country. This again, to my mind, is purely political propaganda and an appeal to the workers and the manufacturing interests of the country. Well, I will venture the assertion that if hon. members opposite were in power to-morrow they would not dare to put such a proposition into effect.

In this connection I think it will be only fair to point out how the existing duty, even under the British preference, affects the Maritime provinces. We have two gentlemen in this House one the member for St. John and Albert (Mr. Baxter) and the other the junior member for Halifax (Mr. Black) who claim to be the champions of the rights of the Maritimes. Let me point out to these gentlemen how this policy of a withdrawal of the British preference would affect the Maritime provinces. Supposing a ship load of goods valued at $100,000 arrives at the port of St. John or the port of Montreal. Immediately that ship docks a crowd of customs officers at once patrol the docks. They pounce upon that ship and even under present conditions will ask to have handed over at least $20,000 in duties. Supposing you increase the present duty 10 or 15 per cent and instead of $20,000 the sum demanded would be $35,000. Will hon. friends opposite point out how they expect the ports of St. John and Halifax to flourish under such a proposition? They cannot answer this argument and the very suggestion would drive business from those ports. As I said before, if they held the reins of power to-morrow they would not dare to put any such proposition into effect. If they did I do not see how the orators of the Conservative party could go to the country and again fool the people by waving the flag of loyalty to the Mother Country.

Mr. GOOD: Would the hon. gentleman advocate taking off all the duties on British goods coming in so as to increase the trade entering Maritime province ports?

Mr. MacLEAN (Prince): It is all right for the hon. gentlemen who have not the responsibility of governing the country to advocate a policy of that kind but in view of the financial condition of the country regard must be had to ways and means whereby sufficient revenue can be raised to meet the needs of Canada. Even with the preference as low as it is there has been a greater increase in imports from countries which do not enjoy the preference than there has been in imports from Great Britain.

Mr. GOOD: Would that not be all the more reason why we should reduce the duty on British goods still further?

Mr. MacLEAN (Prince): My hon. friend might be justified in his view but the present arrangement is working out fairly well. The preference already granted has tended to bring goods to Canadian ports. Ninety-nine per cent of the goods imported from Great Britain now come to Canadian ports as a result of the 10 per cent additional preference that was granted last year. I certainly would be in favour of a further increase in the preference if it were at all possible; I am entirely opposed to the proposal of hon. gentlemen opposite to withdraw the preference and I think that when we take that stand the country is behind us.

There is this further fact, and it will perhaps be an effective answer to my hon. friend, that according to official figures the imports from Great Britain in Canada in 1924 actually decreased as compared with the previous year. I do not know how the hon. gentleman can explain that. At the same

time Canadian exports to Great Britain increased. Nevertheless the protectionist opposition will still argue that the British preference is responsible for admitting into Canada an increasing volume of British goods. I might further point out that during the same period while imports from Great Britain were decreasing imports from Germany were increasing at an enormous rate on which a high duty is charged. Canada grants no tariff preference to Germany yet that country supplied goods to Canada last year to the value of nearly $6,000,000 as compared with less than $5,000,000 in 1923 and $2,000,000 in 1922. When our friends of the opposition blame the Liberal policy of the British preference for the increased popularity of British goods in Canada they should also explain the reason for the growing volume of German goods to which no tariff preference is accorded. But the expounders of this protectionist policy are in the game for some other purpose than to enlighten the public. They cannot fool the people all the time but they look forward to fooling part of the people part of the time, and in that way to again put something over the Canadian public as they did in 1911.

The next paragraph in this resolution recommends the appointment of a tariff commission. Had that proposition been advanced by the government hon. gentlemen opposite would be the first to utter denunciations because of the appointment of another commission. However, if the present government did not get better results from the appointment of such a commission than the country obtained from the tariff commission of some years ago over which the ex-Minister of Finance presided the expenditure for the purpose would be a pure waste of money.

The last paragraph in the resolution contains the only sane proposition in the entire list. This has reference to transportation burdens, and suggests that relief be given to the western and Maritime provinces by way of a contribution from the government to reduce freight rates. I should like the House to take notice of that fact: The proposition of the right hon. leader of the opposition is that the western and Maritime provinces be given relief in freight rates by a contribution from the government of Canada. The proposition may be commendable but I cannot see how the originator of the proposition can reconcile that policy with the attitude he is taking with regard to the government's proposed control of ocean freight rates. What he is proposing is absolutely along the same line as the policy of the government contemplates. Would the right hon. gentleman be good enough to point out to the House and country, what benefit it would be to the producer of the Maritime or western provinces to grant a reduction of rates to Montreal only to find that when the goods arrived there the ocean rates were prohibitive and that the goods could not be exported at a profit. This is something I should like the right hon. gentleman to explain when he next comes to discuss the Petersen contract. I know that hon. gentlemen opposite are quite adept at changing their position in an endeavour to square themselves with their proposals, but it will take all the ability of the right hon. leader of the opposition to explain the really ridiculous position in which he finds himself by reading this clause of his resolution.

Mr. STEVENS: I should like to draw attention to the fact that this discussion is wholly out of order, but inasmuch as the hon. gentleman has been debating this resolution for some twenty minutes I trust that hon. gentlemen on this side of the House will also be accorded the privilege of discussing it when they come to reply.

Mr. MacLEAN (Prince): In reply to my hon. friend let me say that I am quite in order. I understood, when the hon. gentleman did not have a chance to discuss this resolution on private member's day, he would have a chance to discuss it on the budget, and I am quite sure he will avail himself of the opportunity.

I think I have paid enough attention to this rather peculiar document, and I pause for a moment to draw the attention of the House to another motion, and I only wish I could say that I thought it was prepared by some other member; but unfortunately the members of the House will find that it was prepared by the same hon. gentleman. I find the resolution which I have reference to stood in the name of the right hon. leader of the opposition (Mr. Meighen), who was then the member for Portage la Prairie, and in this connection I wish to read from page 1915 of the Debates of the House of Commons of January 18, 1911. The ex-Minister of Finance (Sir Henry Drayton), in addressing the House in one of his pedantic flights of oratory used the word "wobbled." I think he attributed that to the quality of this government, or possibly some of his friends on this side of the House. I wish to point out that this resolution to which I have just referred, which was submitted by the right hon. leader of

the opposition which I am about to read, is not wobbling at all. It is worse than that. It is an acrobatic feat which possibly very few of us can perform, and that is a complete somersault, or right about face, or looping the loop, as one hon. member suggests. This resolution of January 18, 1911 reads as follows:

That in the opinion of this House, a substanttial reduction in the import duties on agricultural implements is now due the agriculturists of Canada, and is in just accord with the true ends of a protective tariff.

He then goes on to say:

But the charge I have to make and which I hope to bring home to the government this afternoon is not that one, though it is the most serious; it is this, that in their attempts to continue the National Policy which had obtained for years before, they have overlooked, they have neglected one essential feature of that policy, they have quite forgotten its guiding principle, namely the principle that as our industrial institutions advanced in strength and as they were able with every advance to acquire a hold on the home market, the import duties were to be diminished and adjusted in order to meet the evolving and changing conditions. It is that restraining, guiding principle which I claim this government has entirely overlooked and as a consequence they have allowed, in the respect which I am discussing this afternoon, protection to run rampant, and they have for reasons which are only too obvious become the slaves of those who helped them into power, and who now maintain them there behind ramparts of gold.

And so on all through his speech. The leader of the opposition, the gentleman who proposed this resolution, now asks for a higher protective tariff. The maxim, "consistency thou art a jewel" is correct. I just imagine, if any hon. gentleman on this side of the House placed himself in this ridiculous position, to what flights of oratory our hon. friends opposite would rise in exposing his position to this House and to the country at large. But proceeding on this line a little further, I find that the hon. ex-Minister of Finance (Sir Henry Drayton), speaking on the budget on April 10, 1924, seemed to lament the fact that we were shut out of the American market. He said:

We would further expect something to be done to help the Canadian farmer who to-day is shut out by an absolute barrier from his natural market to the south.

If this statement which the hon. gentleman expressed in the debate last year was correct on April 10, 1924, was it not also correct in 1911, when hon. members opposite shut us out of that market, and shut us out in the Maritime provinces to the detriment of those provinces possibly for all time to come? Yet those hon. members to-day will stand up in this chamber and say: "The government should do something to let the Canadian farmer into the market to the south of them, which is their natural right." I think this is so amusing that we can hardly realize that the hon. gentleman would express such sentiments, and as an hon. member suggests, a real and national tragedy was enacted at that time involving the infliction of a great wrong on the people of Canada. Discussing the matter further the ex-Minister of Finance says:

The tariff has nothing to do with the difficulties of the farmer.

He gave us three causes for it, hard times, the practically prohibitive tariff of the United States directed in the main against farm products, the deflation of prices applicable to grain and live stock, and the loss of the purchasing power of the great consuming country due to the war. Here again the hon. gentleman stresses the fact that the United States is our only market, and again I ask, if it was right on April 10, 1924, what was wrong with it in 1911 when our friends, with the assistance of the Canadian Manufacturers' Association, shut us out of that market, probably for all time to come?

In this connection I wish to point out to my hon. friends in the section of the House almost directly opposite to me, what the manufacturers' attitude is to-day in regard to this same question, and I quote from the Financial Times of April 10, 1924, shortly after the last budget speech was delivered. This paper is published in Montreal, and the article reads:

The Manufacturers' Association at their meeting stated as follows: "The future seems clear for an out-and-out struggle between two"—

Mark these words:

—"between two, not three, political groups for the maintenance or destruction of the fiscal policy that was brought into effect in 1878."

The Manufacturers' Association realize that the aims and objects of our friends of the Progressive party and of a large majority, I must say, if not all, but, I hope, of all of the Liberal party, are the same, and it is their duty at the next election to go out and fight both the Progressive party and the Liberal party on this issue. The article continues:

It may be that the manufacturers and labour elements in eastern Canada will be forced to take up the gauge. The tariff, unfortunately, has been thrust again into the political arena. The manufacturers must remember, therefore, that it is votes that count, and they must be prepared to justify a protective policy to the electors, to the consumer, if they are to win out in the political fight.

If who is to win out? I ask hon. gentlemen whom this has reference to. Is it any political party that is going to win out? No, they say, if we are going to win out; if the

Manufacturers' Association are going to win out! It is their election and they say: We must join with the Labour party and go out and defeat those two other parties, the Liberals and the Progressives.

As their official champions in the federal field the Conservative leaders should be prepared to dispense with the extreme exaggerated attitude and statements that set forth their views on the present budget. Mr. Meighen's first interview was hardly the carefully considered, serious, statesmanlike opinion that the country had the right to expect. It too, was strongly tinged with political considerations.

As we have urged before, the Canadian Manufacturers' Association, if it enters the fight officially, must make it clear that it holds a reasonable view on "protection," and that it is quite prepared, and, indeed, will insist on periodic revisions of the tariff not only upwards—

Mark those words.

—but in a downward direction where manufacturers are taking advantage of excessive customs duties to bear too heavily on the average consumer. Extreme demands can only alienate support.

Hon. members will notice that they endeavour to camouflage that a little at the last, but let them go out and defeat those two parties at the next election, and I can assure the people of this country and hon. members of this House that the revision of the tariff will certainly not be downwards, but be upwards with a vengeance. I do not know whether I am within my rights or not, but I am going to take a long shot at it and say that whoever sees another campaign fought in this country will see the money which has been extracted from the pockets of the consumers by the Manufacturers' Association thrown into that campaign to defeat the two parties which I have just mentioned. I will not withdraw or qualify that statement, and if they succeed it will not be the Conservative party that will be in power but the Manufacturers' Association.

9 p.m.

We have endeavoured to deal with the tariff to some extent, and we have pointed out some of the reasons for the falling off in revenue. Hon. gentlemen opposite and especially the ex-Minister of Finance (Sir Henry Drayton) seemed to be very much concerned at the present time over the workmen. The hon. member seemed to be able to weave that word "workers" into his argument many times. I should like to ask that hon. gentleman if he has carefully considered the tariff revisions and what is the largest item in the whole tariff list of reductions. If the workers of this country are to succeed, the first essential is a reduction in the high cost of living. The largest item in the whole list of tariff reductions which became effective last year is on the importation of sausage casings which stand in the list at $55,000 as a loss of revenue to this country. Will my hon. friends say in this House that this duty should be restored on this article which enters into an article of food that is bought by the working man every day of the year. I do not think that they will venture such an assertion. I also wish to show that in the total imports the tariff reductions are largely in the general tariff. The next largest item to the one to which I have referred is that of agricultural machinery. But taking the tariff reductions as a whole the reductions and the loss in revenue on the general tariff amount to $15,000,000. In the preferential tariff, as I pointed out before, the amount is about the same as that of the previous year. The treaty rates which were largely criticized in this House this year and last and which we were told were not worth the paper on which they were written, have worked out splendidly and we find that the imports under the treaty arrangements of last year from the different countries show an increase of something over $2,000,000; or in round figures, the imports under treaty rates in 1924 amounted to $5,731,000, while for the first ten months of this year they amounted to $7,916,000. Therefore, it is obvious that the treaty arrangements that have been entered into by this government have not only worked out splendidly from the standpoint of bringing in cheaper goods, but have had the effect of increasing the revenue. As I pointed out in the first portion of my remarks, it cannot be laid at the door of this government that the reduction in the duty was the cause of loss in revenue, because it has been plainly shown, and anyone who glances over the returns will see that the great loss in revenue was due to lack of importations, and no government can force people to buy or import against their will.

A good deal of the time of the House has been taken up with a discussion of loans to the railways. As I discussed that matter somewhat fully last session, I will not trouble the House with any further remarks regarding that question. A clipping which I have in my hand referring to Sir Henry Thornton reads:

LONDON, June 30, 1924.

King George received the premiers of the Canadian provinces at a garden party at Buckingham Palace. In questioning the visitors on Canadian affairs, His Majesty expressed very particular pleasure at the success of Sir Henry Thornton as president of the Canadian National Railways. "You have taken a good man away from us in England," said the King.

I do not think we want any higher tribute to the gentleman who is president of the Canadian National system at the present time. We have our grievances in the Maritime provinces, but the president of the road has paid us several visits and has done a great deal in the direction of remedying the situation. He has been very painstaking in every detail that has been brought to his attention, and although we have not obtained all the reductions which we had hoped for, nevertheless certain reductions have been made by means of which the Maritime provinces have been placed on a very much better basis than in previous years. When we came into confederation we were supposed to receive certain rights but as time went on and so many different changes came about in the railway system those rights were gradually taken from us one by one until now they have almost completely disappeared. Have we ever studied the railway situation in this light? We have a great many government services in this country all of which possibly are essential; but I think hon. gentlemen will agree with me that perhaps there is no service that can be rendered by this government which is as essential to the people of Canada to-day as the service rendered by the Canadian National Railways. We spend millions on other services; do we get any returns? We may get returns in an indirect way, but it is a very indirect way indeed; and we do not get interest on our money nor do we see the results in any very tangible form. Now here is an institution which has given to the people of Canada a service which they could not possibly have got along without. We all hope the day is not far distant when this service will be on a paying basis; but until that time comes is it any crime that some assistance should be given to the Canadian National Railways by the government of Canada? I do not think it is. Someone will say, why is it that the Canadian Pacific Railway is able to get along and pay dividends while the Canadian National Railways are hardly able to meet operating expenses? My answer to that question is this: The Canadian Pacific Railway built its roads into those portions of the country where dividends were in sight, whereas the Canadian National system was built into those sections of Canada that needed to be opened up so that the great hinterlands of the north might be settled. That in my opinion is the answer to such a question. The Canadian Pacific Railway went after dividends, and in doing so they built their roads where they expected the traffic to pay. The Canadian National Railways on the other hand have up to the present time been operated in the interests of the country and if they have not been as successful as their rival the reason I think is just as I have stated.

It may not be of interest to the House to know this, but I may say that before coming to Ottawa to attend the present session I prepared at the request of the railway commissioners a brief which I submitted to the management of the Canadian National Railways in regard to reductions. We felt that we had certain grievances in Prince Edward Island which called for some remedy, and after gathering all the information that I could upon the subject I submitted this brief to the Canadian National and have received their reply. With the permission of the House, Mr. Speaker, I should like to place this statement on Hansard: It is most interesting to the people of the Maritime provinces and it deals with questions affecting not only Prince Edward Island but also the provinces of Nova Scotia and New Brunswick. The management endeavoured to meet us as best they could, and I may observe here that they have before them other items which they state will receive their careful consideration.

Mr. SPEAKER: I must point out to the hon. member that no statement not read in the House may be incorporated in Hansard without the consent of the House.

Mr. MacLEAN (Prince): I understood that, Mr. Speaker, and that is why I asked the permission of the House.

Mr. STEVENS: I suggest that the hon. member read the statement. We are interested in the views of his province in regard to these matters.

Mr. MacLEAN (Prince): I have no objection to reading it if the hon. member insists.

Mr. CALDWELL: Who wrote the document?

Mr. MacLEAN (Prince): Mr. Dalrymple of the Canadian National Railways. The management did not meet our views altogether and as I proceed I shall explain our case as we saw it. The document is dated February 27, 1925 and reads:

CANADIAN NATIONAL RAILWAYS

Traffic and Express Department
Montreal, Quebec,
February 27, 1925.

At Hamilton

A. E. MacLean, Esq., M.P.
House of Commons,
Ottawa, Ontario.

Dear Mr. MacLean:

In re Rates on Traffic—Prince Edward Island.

Your favour of February 13th, addressed to our president:

There has been some slight delay in answering the enquiries as several of the statements made were of an omnibus character and involved research.

I will, however, endeavour to answer the various complaints or comparisons in a tabulated manner, as follows:

(a) Railway insists on consignee discharging shipments of potatoes at Charlottetown—cars to warehouse—whereas work is performed at St. John without expense to consignee.

The statement is not quite correct; it is, nevertheless, a fact that we assume the expense of unloading potatoes, in packages, when for furtherance by water. We do not assume the cost of unloading shipments in bulk.

The situation at St. John is somewhat different to that existing at Charlottetown, for the reason that the potatoes originate practically at the outskirts of Charlottetown, paying to the transportation company a minimum rate, whereas the commodity destined to St. John travels a much longer distance,—besides, we do not absorb the handling charges on traffic which pays a rate less than 10 cents per hundred pounds.

With the opening of next season, at Charlottetown, we will see that the feature of handling is placed on a parity with St. John.

(b) Five days free time allowed at Charlottetown and ten days at St. John.

This is correct. The extra time allowed at St. John was for the purpose of over-coming irregularity in transportation, or, in other words, a railway disability caused by the fact that the potatoes moved for long distances, even in excess of 400 miles, whereas, at Charlottetown, the maximum distance is 117 miles. There would appear to be no good business reason for extending the time at Charlottetown and so far we have had the impression that the only reason why the extra time has been requested is for the purpose of utilizing railway equipment for storage, owing to the absence of adequate warehousing accommodation.

We are making a further investigation on this angle of the situation and are open to conviction.

(c) Distance tariff rates on potatoes are greater than in New Brunswick to St. John.

This statement is not correct. The local rates, between all stations in the Maritime provinces, are on a mileage basis and the one distance tariff applies throughout the territory. In the case of export, the rates to both St. John and Charlottetown are precisely the same for corresponding distances, except that the rate to Charlottetown for distances 100 miles to 120 miles is held to a maximum of 13 cents, while to St. John the rates go up to 14 and 14½ cents.

(d) Wants general reduction in rates on potatoes to Sydney, Montreal, Halifax and St. John, but as Prince Edward Island and New Brunswick rates from Dominion points are on same basis as lower provinces admits this means a general reduction throughout Dominion.

There is quite a long answer to that question, and I think I might be allowed to put it on Hansard without reading it.

Mr. STEVENS: We would like to hear it.

Mr. MacLEAN (Prince): My hon. friend is interested?

Mr. STEVENS: Yes indeed.

Mr. MacLEAN (Prince): I quote:

Rates on potatoes between and from points in the Maritime provinces have been subject to special consideration a great many times, during the past few years, and substantial reductions have already been made to assist the producer. The increases made since 1918, result of enhanced expenses due to things which need not be elaborated upon at this time, have, in so far as relates to potatoes for export, been entirely wiped out and in this respect the Maritime provinces have had preferential consideration.

Perhaps my hon. friend will not like to hear that.

Mr. STEVENS: No, I like to hear that. I am very glad to see it.

Mr. MacLEAN (Prince): Right here I want to pay a compliment to the hon. member for Vancouver Centre (Mr. Stevens). In connection with the trip which the men from the Maritime provinces took across Canada, I think my hon. friend made the best suggestion of any that were offered. If he was correctly reported, his statement was that the remedy for the difficulties of the Maritime provinces in this regard was to bring the Maritime provinces within 300 miles of Montreal. My hon. friend has a good grasp of the situation. I wish we could reciprocate by bringing the western districts within 300 miles of that same great city. I presume he meant a subsidy.

The Maritime provinces are handicapped in that whatever products they have for export to Great Britain must very largely be shipped first to Montreal, involving a long rail haul of about 700 mlies, and then these same products are loaded on the ships at Montreal and are again brought back right past our doors. That is a tremendous tax on the farmers of the Maritime provinces, and to a certain extent it is the fault of the Maritime provinces themselves. A few years ago the suggestion was made that stock-yards should be established somewhere in the Maritime provinces where stock for shipment across the ocean could be collected and where the buying could be done. There was this disagreement, however, among the different towns in the Maritime provinces as to where those stock-yards should be located, and in the meantime the thing went

by the board and the stock-yards were never established. It seems to me, to use the words of the hon. member for St. John and Albert (Mr. Baxter) when he thundered here a few nights ago, and suggested that the government should wake up, that we in the Maritime provinces should wake up. If St. John and Halifax want to retain the export trade of the Maritime provinces it is up to them to wake up and provide the facilities and to agree with one another when any proposal of this kind is made.

The next question is as follows:

(e) Wants potatoes carried at special or commodity rates and cites coal as a basis to shoot at and gives certain comparisons. Later advocates rates should not exceed rates on grain in western Canada.

In this connection I compared the rates on coal from the Maritime provinces to Prince Edward Island. I pointed out that it, to produce a ton of coal at the pit's mouth costs approximately $3, while it costs from $9 to $15 to produce a ton of potatoes, and that they sell at destination at about the same price. The rate on coal from Sydney to Tignish, Prince Edward Island, is 13 1-2 cents per 100 pounds, and the rate on potatoes from Tignish to Sydney is 38 cents per 100 pounds, a difference of 25 cents per 100 pounds or a preference of about 200 per cent on a commodity that costs 200 per cent less to produce. Coal has a commodity rate, and my contention in this case was that if coal was given that rate for Nova Scotia, then potatoes should get the commodity rate for Prince Edward Island. Another point brought out was that the freight on a carload of coal of 60,000 pounds, at 13 1-2 cents, delivered at Tignish, was $81, while the freight on a carload of potatoes of 60,000 pounds, at 38 cents, from Tignish to Sydney, was $228, although the values of the two carloads at destination were practically the same. Of course the railways will not take this into consideration; they say the two articles are so extremely different in character that that cannot be considered. The reference to that in this memorandum is as follows:

This proposition is so fundamentally unsound that nothing would be gained by discussing it.

In (f) we advocate general advances over the Dominion in the rates of luxuries and expensive goods, and a reduction on cheap or bulky articles. I think that is a proposition worthy of consideration. The reply to that suggestion is as follows:

In principle we quite agree with you as to advances on luxuries and expensive goods and this if consummated would have a natural tendency to enable us to reduce our rates on what we usually call basic commodities, but you will appreciate action even in respect to the latter would be controlled, as heretofore, by the result of our expenses in operation.

(g) Wants local rates on potatoes to St. John and Halifax reduced to same basis as export.

Reply to this is already covered by (d).

(h) Gives reference to certain statements made by Premier Armstrong.

Premier Armstrong stated that freight rate from Kentville to Sydney, 317 miles, was 53 cents, while from Toronto to Winnipeg, 1,232 miles, it was only 55 cents. In other words, there was a difference of only 2 cents over that long distance.

Mr. CALDWELL: Would that be on the same commodity?

Mr. MacLEAN (Prince): Yes.

Mr. SPENCE: And the same year?

Mr. MacLEAN (Prince): Yes, the same year. Another instance was quoted in connection with the shipment of a box of tomatoes from Hantsport to Halifax. The freight charge was at the rate of $12.80 per 100 miles, while the rate from Grimsby, Ontario, to Halifax, was $2.50 per 100 miles. In his address before the dairymen's meeting Premier Armstrong declared that he wanted to "burn it into the minds" of the convention that these inequalities "could not be permitted to continue." He gave another instance of discrimination in freight rates. Now, the reply made by Mr. Dalrymple to that point was as follows:

Comparison of rates from Kentville to Sydney is made with rate from Toronto to Winnipeg, on apples. The latter took what is known as the Crowsnest agreement rate, which the railways are not willingly subscribing to, and if, because of the existence of this low Crowsnest basis of rates the railways are obliged to reduce all of their tariffs throughout the entire country to the lower level of such agreement rates then I can say to you very frankly there will not be sufficient money left to enable the transportation companies to furnish adequate service for our Canadian commerce.

(1) Hay—Claimed should have flat rate from all stations on Prince Edward Island to Sydney, St. John and Halifax, as it loads so light to the carload that the rate to make it pay has to be out of all proportion to the value.

We will see what can be done in the matter of export rates on hay, from Prince Edward Island territory.

The next article dealt with is fox feed, which is an important commodity down there, and which should be fourth class instead of first class. He says:

These food stuffs consist of livers, beef hearts and horse meat shipped frozen and usually in refrigerator cars; same requires equal care to that of perishable traffic for human consumption, and we are decidedly of the opinion that the fox industry can well afford to pay first class rates. In fact, to use the argument contained in the papers which you were good enough to send us, this business might be classified as a luxury.

We went on to ask for a reduction of freights on mixed carloads of potatoes and turnips and other freight from points in the province of Prince Edward Island to the mainland. In summing up he says:

It will perhaps not be amiss for me, at this time, to call your attention to what has been done in the matter of freight rate adjustments, affecting Prince Edward Island, during the past two years;—amongst other things the following are for your information—

(1) Formerly rates were the combination of locals to and from island and main land, now all mileage tariffs applicable in the maritime provinces are on the flat main land basis with no additional charge for car ferry or narrow gauge line services. This involved considerable reduction in our revenue and without much increase in volume of tonnage.

(2) Prince Edward Island is now on the flat Halifax and Mulgrave bases on all traffic to and from points west of Quebec,—a reduction in railway revenue.

(3) Class rates between Prince Edward Island and territory west of Quebec have been readjusted on a lower level.

(4) Reduced mileage scales locally in the maritime provinces, including Prince Edward Island, on potatoes, grain and products, have been made effective.

(5) Rates on potatoes for export have been reduced to the point that all increases granted by the Board of Railway Commissioners since 1918 have been eliminated and such situation does not exist in any other part of the country that I know of.

(6) Reduced rates have been established on potatoes to western Canada.

I am simply mentioning the foregoing in an endeavour to convince you that we have not been neglecting the maritime situation.

I am sorry to detain the House, but this is a very live question with us down there, and I trust I have not wearied hon. gentlemen too much.

When I was speaking a few moments ago regarding the upkeep of the railways, into which we were throwing a great deal of money, I forgot to mention that the government supply and keep in repair the water roadbed, the canals, lock tenders, lighthouses, danger buoys, docks, unloading facilities, and so forth, free to the lake carrier vessels. Why not do the same with the railways, and figure the rate on cost of rolling stock and operation only, instead of trying to make it pay interest on the fabulous cost of construction and upkeep of roadbed, and so forth? This is a suggestion which I think is worthy of the consideration of this House.

It is not my intention at this time to discuss the Petersen contract. That has been discussed from very many angles. I just wish to say that I believe the government has brought this proposition down in good faith. They are submitting it to a committee that will look into the question from every angle, and as I said before, if this proposition of the government to reduce ocean rates is blocked, we must lay the responsibility at the door of hon. gentlemen opposite, and to my mind, it will be another national tragedy, comparable with the result of the 1911 election, when we were shut out of the market of the United States. The same people who did that are to-day endeavouring to shut us out of the markets of Great Britain, not perhaps in the same way, but in another way which will be probably just as effective.

The other night my hon. friend from Cape Breton South and Richmond (Mr. Carroll) was speaking in support of coal duties, to which I am very much opposed. Coal duties may be very much in the interest of the people of Nova Scotia. My hon. friend mentioned the fact that if I would not support this duty on coal, I was not a good maritime man. I wish to tell the hon. gentleman that if I am not a good maritime man, I am certainly a good Prince Edward Island man, because the imports of coal from Nova Scotia into our province, as has been pointed out by the hon. member for Kings (Mr. Hughes), are very large indeed, and the people of Prince Edward Island feel they are paying a very high premium to the coal mines of the province of Nova Scotia.

Another factor which has injured us greatly not only in the province of Prince Edward Island, but also in the province of New Brunswick is the embargo which has been placed on Canadian potatoes by Great Britain. This embargo became effective just at the time we were getting our shipments started nicely through that new channel of trade. I wish to thank the Minister of Trade and Commerce for what he did, and to say that I do not believe the people of this country are making the use of the Trade and Commerce department that they might. We were forced this fall to look abroad for markets for our surplus potatoes, and we took the matter up with the Department of Trade and Commerce here. They immediately took it up with the High Commissioner in London, and went into the matter so thoroughly that in the course of a very few weeks we had a stream of shipments going forward to Great Britain. Then what happened? The Americans, who have shut us out of their market by the Fordney tariff, immediately became jealous because our potatoes were going forward while there was an embargo on American potatoes, and they took the matter up with the British government and scared them so badly by telling them that our Canadian potatoes were affected in a certain way that it was not safe to allow them entry into Great Britain, that an embargo was put on our potatoes.

Mr. CALDWELL: Might I interject, not that our potatoes were affected, but that we had the Colorado beetles?

Mr. MacLEAN (Prince): My hon. friend is quite correct. We went into this question and found out that the Colorado beetle has been prevalent in Great Britain for a great many years, but I am sorry to say that the British government listened to the representations made by the American government, and extended the embargo they had put on American potatoes to Canadian as well. This is a matter that the Department of Agriculture are working on, and I hope that yet some relief may be found. Our potatoes had a splendid reception over there and turned out well. We were opening up a great trade, especially in view of the shortage that obtained in Great Britain. I sincerely trust the Department of Agriculture will be successful in persuading the British government to remove this embargo.

Another matter that has been discussed in the Maritime provinces is in regard to the car ferry steamer plying between Prince Edward Island and the mainland. To my mind there is no justification in the world for charging the cost of operating that ferry to the Canadian National railway system The car ferry was put into commission as part of the compact under which Prince Edward Island entered confederation, whereby continuous steam communication was to be maintained between that province and the mainland. Now, there is no more reason for charging the operating expense of that car ferry against the Prince Edward Island branch of the Canadian National railway system than there is for charging up in the same way any of the other subsidies which were granted to Prince Edward Island at the time of confederation. That car ferry has given splendid service. It cannot, however, go on forever and I hope the time is not far distant when a second steamer will be provided. I am credibly informed that the traffic on that route is so constant and so pressing that the steamer has not had a proper overhauling since she was first put into commission. The fact is that she cannot be taken off the service for a sufficient length of time to permit of a thorough overhauling, and I hope the government will not delay in seeing that a second vessel is provided for that service. It has been suggested that the present steamer should be converted into an oil burner. Under present conditions in winter time the vessel starts out on her trip. She has perhaps been out for five or six hours, it may be for eight or ten hours, and is almost at the point where she could make her landing. By that time however, owing to the ice conditions, her fires become dirty, her steam pressure is lowered, and she loses power just at the very moment when it is needed to push her through the ice into her dock. Consequently she is brought to a standstill and the fires have to be cleaned, with the result that she is carried by drifting ice sometimes eight or ten miles, or even fifteen or twenty miles, up the straits. If the steamer were converted into an oil burner this difficulty would be overcome; the vessel would have the same maximum of power all the time and, under proper conditions, could dock eight or ten hours earlier than she is able to do sometimes under existing conditions.

Mr. STEVENS: She would be good for the Petersen fleet.

Mr. MacLEAN (Prince): No doubt she would but we could not spare her for that purpose even to meet the wishes of my hon. friend.

A question brought up when the estimates of the Department of Agriculture were under consideration was the creation of a disease free area in Prince Edward Island. I am glad to say that the minister on that occasion gave us a very favourable answer, and I hope the work will be undertaken and pushed to a successful conclusion. I think the province as a whole is willing to adopt the suggestion of the government and endeavour to make Prince Edward Island a disease free area as far as tuberculosis is concerned. We have some of the best herds of dairy cattle in Canada, perhaps in that section. Our dairy products are unexcelled in quality, and with the assistance proposed for the eradication of anything in the nature of tuberculosis our live stock will be given a standing in the markets of the world which it could never attain in any other way. The opportunity will also be afforded of advertising the fact that the dairy products of Prince Edward Island come from a disease free area and consequently they will be able to command much better prices in the world's markets.

In conclusion let me say that I do not think the people of Canada need be downhearted. We hear a great deal of pessimism from members on the opposite side, especially from our Conservative friends. They are indulging in a lot of "blue ruin" talk as the result of the likelihood of this government being continued in power. I think, however, that Canada is making substantial progress, a fact which is confirmed by the budget so recently brought down, notwithstanding any-

thing which hon. gentlemen opposite may say to the contrary. Comparing other countries with Canada I notice that their per capita debt is very much in excess of ours. The per capita debt of Canada is given at $268, that of New Zealand at $792, Great Britain $791, France $540, and Australia $359. Notwithstanding the huge deficit rolled up at a time when hon. gentlemen opposite were in power I am glad to say that the per capita debt of Canada compares very favourably with other countries of the world.

I am proud of the party to which I belong, and am exceedingly proud of the leader of this great party, the Right Hon. Mackenzie King, who has not only proven himself competent to handle Canadian affairs but has attracted the attention of the nations of the world by the position which he has taken in world affairs. I am proud of this party which has a record unexcelled in any country on which the sun shines; a party which has given to the people legislation in the interests of the masses as against the classes; a party which has stood for the interests of the common people; a party which has considered all classes, not handing out special favours to any pet monopolies; a party which has stood by the agriculturist, the fisherman, the lumberman and the artisan; a party which has redeemed its pre-election pledge to the best of its ability under the handicaps with which it was faced when it took up the reins of office; a party which can appeal to the country on a clear cut policy which aims at the alleviation of burdens where they are the most pressing, still having due regard to placing Canada in a sound financial position before the countries of the world. I ask, are we downhearted? No. Our public debt per capita is much less than that of a great many other countries of the world. Our resources are unlimited. Let us bury forever the pessimistic views to which I have alluded and let our country go forward in its career of development with that optimism which is so essential to success.

Mr. R. J. WOODS (Dufferin): Mr. Speaker, in beginning the few remarks which I intend to offer I feel that I am in a very happy position from the fact that I am not bound by the shackles of any party, and that I am free, as I have been since I entered this House, to support legislation, from whatever quarter of the House it may come, if I deem it to be in the best interest of the country, or to oppose it if in my opinion it is likely to have the opposite effect. On two occasions since I have been a member of this House I opposed the budget, and voted against it, and on one occasion I supported it.

I am somewhat disappointed in the budget at this particular time. I was hopeful that we would get a budget something along the lines of the budget delivered in this House last session, but to my disappointment there is no evidence of any advance beyond the point reached by the budget last year. We had expected, from the statements made by hon. gentlemen on the other side of the House, that last year's budget would be the death knell of protection. And this session I had expected that there would be some further reductions in the customs tariff on the necessities of life. I did not expect a slashing reduction and a complete sweep of the tariff; but I looked for something more than we have received. One feature of the budget in my opinion will not meet the views of those deeply interested in a low tariff and a freer trade between the nations that we have to deal with. I refer to the dumping clause. In this budget we have had a revision of the dumping clause. I have been looking over the budget for 1907 and have also considered the present budget. I have not a legally trained mind, I am a common man from behind the plough, but in my view when the dumping clause was introduced in 1907, goods coming into this country were valued at the regular market value in the country from which they were exported. As I understand the present revision, goods imported from other countries to Canada will be valued on the basis of the value of such goods in this country, or on the value of the goods on sale in this country. What does that mean? It simply means that if you go to a foreign country, buy goods and import them into Canada, you are forced, regardless of the customs tariff, to pay for those goods the value of the same goods in this country. For example, if I go to the United States and buy an article which is sold in that country for a hundred dollars and bring that over, when I come in contact with the Customs department I find that the selling price of those goods in Canada is a hundred and twenty dollars, with no reference to the customs; whatever customs duty might be placed on them would not matter. The result is that when I bring goods into this country, for an article which was sold in the United States at the regular market value of a hundred dollars I would be forced to pay a hundred and twenty dollars, before I would be per-

mitted to use it after bringing it into this country.

Mr. CALDWELL: Plus the duty.

Mr. WOODS: Regardless of duty. As I understand it, the dumping clause governs the whole protective feature of the goods coming into this country.

Mr. FORKE: There is nothing in that clause that I can see that prevents the Minister of Customs putting any value he likes on the goods.

Mr. GARLAND (Bow River): Hear, hear.

Mr. WOODS: We would not assume that he would put any higher value than the market value in this country. But assuming he puts on the same value, what does it mean? It means that the combined organization of manufacturers in this country could fix the price almost at any level and prohibit the consumer in this country importing goods from a foreign country without paying the price the same goods would cost him in this country. If I am right in that assumption, it is the most vicious form of protection that the human mind is capable of conceiving.

The debt of this country has been discussed time and again, and possibly almost every person in the country knows that we are loaded with a debt of almost two and a half billion dollars, which has to be met. It is a most unfortunate thing that we are saddled with such a burden. It appears to me that this enormous debt is a result of the lack of vision in war-time and the failure to collect from the people who were then making abundance of money. At the time the war was on, the farmers, the labourers, manufacturers and all classes of people were making a very great deal of money, and could without any inconvenience whatever have paid almost the entire war debt as the war went on. But, for lack of vision, we are saddled with this debt and we are compelled in some way or another to pay it. The question is how are we going to meet that debt. One of the ordinary methods which assists the average individual when he gets into debt, whether rightly or wrongly, is to retrench. There are two methods. The first, is to increase our revenue and bring more money into our possession with which to liquidate our debt. The other method is to retrench. In my opinion, the government of to-day is not retrenching as rapidly as it might do. There are many departments connected with the government of this country, and possibly there is no department in which there could not be more retrenchment than there is at the present time. I am going to mention two or three departments out of the many in which there might be a cutting down of expenditures and a lessening of the estimates that go through this House. The estimates of the Department of National Defence might be cut down. I do not want to be misunderstood. I believe in a proper police force. I believe in our Royal Canadian Mounted Police and in a permanent militia to a certain extent, sufficient to look after the internal affairs of our country in case of any disturbance or need. But we have what is called the annual drill of the militia, and a considerable amount of money is spent on this. I had a little experience in my younger days in that regard, and I look upon it as almost a waste of money. A number of officers, some of whom do not take much from the revenues of this country for their services, take charge of the annual drill as the men go out into the various camps for one or two weeks, and some young men go out and have a fairly good time during this period. They continue that sort of thing each year for two or three years and then they are discharged. They are not trained to be soldiers, and a great number of them, as I saw them in my younger days, were not physically fit ever to make soldiers. I believe that branch of our Department of National Defence should be cut down. The hon. member for Comox-Alberni (Mr. Neill) brought in a resolution regarding the defence of the Pacific coast and he stated, I think, that there was a coast line on the Pacific of about 10,000 miles to be guarded. If we are going to guard that, against whom are we going to guard it? Against other nations that might come up against us? If we are to put on a force sufficient to stand against any of the surrounding nations that possibly might rise up in war against us, that would saddle us with another debt possibly almost equal to the one we are now carrying. When we were forced into the struggle some years ago, the Canadian people with their energy, their physical power and their willingness to defend their country, in a short time got ready an army to send overseas in defence of the British Empire. I believe a good deal could be saved by retrenching in the Department of National Defence.

Possibly the Department of Public Works might also be cut down a little. In the estimates I notice a great number of wharves —you would think there were wharves in almost every little part of the country—that have to be repaired and kept up. I am con-

versant with only a very few of them; but taking my cue from the Belle River wharf, as regards which I made it a point to make some inquiries, not from Conservatives particularly, but from Liberals, friends whom I know in that part of the country, I find that, in their opinion as they gave it to me, it was practically a waste of public money at this particular time to put the Belle River wharf item through last session.

Another department in which there might be retrenchment is that of the Auditor General. As we look over the Auditor General's report, we find that the late Auditor General was receiving a salary of $6,000. He came through the strenuous times of the war and he had no doubt a very efficient
10 p.m. staff with him. For some time there was no Auditor General, but the deputy and his staff took care of the work. We have now another Auditor General appointed at a salary of $15,000. If the late Auditor General could look after the work properly—and I understand it was looked after properly by him and the staff that he had with him during the strenuous period of the war—surely it is not necessary to add another $9,000 to the salary of one man to take the place of the man who is past and gone. I want to go just a little further along that line. On looking over the estimates for this year I find an added estimate of about $33,000 for the Auditor General's department to put new blood into the staff of that department. We have been talking about cutting down the civil service; but we see one department, instead of cutting down, adding to the extent of more than $33,000 during the present session. This looks as if something was wrong, as though there must be someone who wants a particular job, or someone in sight to be placed in a nice desirable position in that department. I think that is all I will specify in regard to the different departments, but I believe what I say is true of these departments, and what is true of these departments, I believe is true of every department. I believe there could be a retrenchment and a cutting down, specially when we consider the burden of debt and taxation that the people of this country are carrying.

The policy of the present government seems to be to increase the revenues. This was shown not very long ago when a resolution was brought forward by the hon. member for Macleod (Mr. Coote) for the reduction of the customs duty on automobiles. The Acting Minister of Finance (Mr. Robb) on that occasion gave as a reason for retaining the duty the necessity for revenue. It appears to me now that the government should not spend all its energies in loading and re-loading the people of Canada with extra taxation to the very limit, while there is a possibility of reducing our debt by retrenchment in a great many directions.

I am more favourable to the sales tax than I am to the customs duty. The sales tax is something in regard to which we are more in the light; we know what we are paying for. Although it may be shouldered on the consumer ultimately, we know at any rate more about this tax than we do about the customs tariff and the dumping clause that protects the various industries. Personally, I prefer direct taxation; I want to know exactly what I am paying for.

Let me refer now to the stamp tax on cheques, a matter I discussed when the legislation was put through this House in the first session I was here. At that time the Minister of Finance (Mr. Fielding) fixed the maximum at $2 but the following session he reduced it to $1. As I see this stamp tax, all it means is that the wealthy men of this country who are able to put their signature to cheques of over $2,500 will be exempt from a tax which others will have to pay. The tax now is 2 cents for every $50 or fraction of $50 up to $2,500, but above that sum it does not apply. It looks to me therefore as if we are legislating in the interests of the rich people of this country, and it borders very closely if not entirely on class legislation.

I want to touch for a moment now on protection, which has been the great cry of our friends to the right. One thing that has surprised me in this respect is that hon. gentlemen to our right have not put this principle in the form of a platform, as the hon. member for Kings (Mr. Hughes) observed last night, when he said that certain resolutions contained the issues upon which the Conservative party were likely to go to the country. Hon. members to my right moved an amendment to the budget and I must say that it strikes me as being very meaningless; it is not a resolution from which we can extract very much. So far as I can see, their amendment is not a policy at all. But if, as the hon. member said last night, our friends are going to go to the country and appeal to the people on a certain platform, it is a mystery to me at any rate why they have not submitted it to the House in the form of an amendment to the budget with a view to having it threshed out on the floor. Why do they not want to bring it to the attention of the

people as coming direct from the Parliament of Canada? Were hon. gentlemen timid, were they a little bit afraid to launch out on the great sea of protection in this way? At any rate, they seem to be holding back until some future time when no doubt they will bring forward their policy on the hustings. Now, protection does not always protect, and in this regard I want to read a brief statement I clipped from the public press written by Mr. Tom King who is the correspondent of the Globe at Washington and who writes in this instance touching the situation in the United States. We are told that there is a high protective tariff over there, and this perhaps is true in the case of a great many articles. But this is what that gentleman says about the situation as he sees it:

> The United States farmers already have tariff protection, but a customs wall is useless to producers of wheat, corn, cotton and hogs. They have a surplus for export and must take prices fixed in the world's market.

What is true of the United States is also true of Canada. We are a large agricultural nation and we are producing in excess, by millions of bushels, of what we can consume in wheat. Of hogs, cattle and farm produce we also have an excess of production over consumption; and as we must place those products on the markets of the world in competition with other countries, protection does not avail us very much. And this is the same in the United States. So that protection does not always protect.

Personally I am not a free trader; I never believed in absolute free trade so long as we were up against a tariff wall in other countries. But I do not believe in retaliation, and I do not believe that it would be wise for a moment for Canada to put up a tariff wall against the United States or any other country simply because they excluded our products in that way. I do not think however that we ought to regulate our tariff; we should regulate the duties on the necessities of life, in the interests of the masses. We should not make things harder for the general public by increasing the cost of living and so driving the people out of the country. I believe therefore that it is our duty to regulate our tariff with the principle in view of the greatest good to the greatest number and not in the interests of any class or small section of the people.

There is another point I would like to touch upon—and I am not sure that it is not a delicate one in some respects; I do not know what view my western friends who sit around me hold in regard to it. But following the idea that I have just expressed of doing the greatest good to the greatest number, my opinion is that the government would be acting wisely if it put an export duty on wheat. Let me give you my reasons. I have said that protection does not always protect, and that we have to put our surplus produce on the world's market. But the United States to-day has a protective tariff of forty-two cents a bushel against our Canadian wheat, and the result is that the millers of the United States buy our wheat, take it over to their mills in that country, mill it and export it. I am informed on good authority that when they export it they get the benefit of a drawback to the extent of 99 per cent of the duty paid. The duty that the United States has put against Canadian wheat does not help the farmers there but it does benefit the great milling companies of the United States, while it injures the millers of our own country. If our wheat was milled in our own country we would get the benefit of the by-products for feed, and we all know how necessary those by-products are in such a province as Ontario. We must have them for the feeding of young stock and in connection with our dairy operations. But when the United States get our wheat and export it, with practically no tariff charge when you consider the drawback of 99 per cent, our milling industries are preventing from handling it and sending it over to Great Britain in the form of flour, and we are deprived of the use of the by-products for our young stock and for dairy feed.

Mr. HOEY: Before the hon. member gets away from that, has he thought out what effect an export duty would have on the sale of our wheat in Europe? Would it not drive the Canadian exporter off the markets of the world? You cannot put an export duty against the United States without putting it on also against Europe.

Mr. WOODS: Well, it might have some effect in that way, but it would build up our milling industries and give us the by-products. Whether rightly or wrongly, I cannot help thinking that it would be a wise thing to do, because it would operate very much in the interests of this country; it would bring a great deal of revenue into the treasury and would help pay off our national debt as well as give us the other benefits that I have described.

During the recess we heard a great deal of the cry of blue ruin; we got it all over this country from the Atlantic to the Pacific. Let me read a despatch that appeared in the press with regard to a meeting held at Stratford last August and addressed by the right

hon. leader of the opposition (Mr. Meighen). It says:

"Workmen banished, homes boarded up, factories closed, stagnation in business, and despair in the hearts of our artisans, these are the fruits of the policy of Mr. King's Government," said Right Hon. Arthur Meighen in addressing a crowd of more than 4,000 at the big Conservative picnic in Queen's park here to-day. In his address he dealt largely with the record of the King government since it has been in power, the chief characteristic of which, he said, was "duplicity." He charged that changes in the tariff had closed more than 2,000 factories and had banished over 300,000 Canadians to the United States and prophesied that the coming winter would witness hardships untold which the government would be powerless to deal with without revoking all its pledges.

We have also been told by our friends to the right—and if my interpretation of the dumping clause is correct, there is some foundation for their statement—that the tariff reductions of a year ago did not decrease the price of farm implements. I assume that it is the manufacturers who are opposed to the reductions in the customs tariff and who are anxious to have the duties increased—that is, if we are to judge from the statements of our friends to the right. Well, if reduction of customs duties does not bring down the cost of implements in this country—and we are told that in some cases the prices are actually higher since the reductions of last year—why are the manufacturers up in arms against the customs tariff? If they can make as much money under a low tariff, why should they object to the reductions? From the time that I came to this House, there was no perceptible reduction in the tariff until last session, and if in three or four months the houses could be boarded up and men turned out of work and 300,000 people could slip over to the United States, and all that kind of thing, to me it would be a phenomenon. I cannot see how it all could happen in such a short time.

Mr. CALDWELL: The products of the factories did not come down in price. That is, the machinery had gone up.

Mr. WOODS: That is right. Now, I want to refer to a statement made recently in this House by the hon. member for Fort William and Rainy River (Mr. Manion). Referring to the present condition of affairs in Canada with regard to employment and so on, he said that he had never known it to be so bad. He went a little further and said that from his knowledge of history he had never known it to be so bad; that such a serious state of affairs had not existed since the period between 1873 and 1878. Now, perhaps I will be pardoned if I tell the House something of the conditions between 1878 and the close of the century, based on actual experience. In the latter part of the eighties and possibly all through the eighties, and in the early nineties, conditions to my mind, and I came through them, were much worse than they are at the present time. I was actively engaged in farming in the early nineties and part of the eighties. I was in the working class, and knew considerable about the conditions in 1878, and onward; so much so that I was interested in politics at that particular time while still a young man, and I was then a very ardent supporter, I must confess, of the policy of Sir John A. Macdonald, which our friends to my right always advocate. In the early nineties the farmers could hire a man on the farm for $15 and $16 a month. The farmers at that time received about $4 a hundred for dressed hogs, and about $3 to $3.50 a hundred for live hogs. They could sell beef cattle that had been stable fed for six months at a price—I was going to say at the enormous price of 4 cents or 4¼ cents a pound. I came through that particular period and have had actual experience of these conditions; I am speaking of Ontario; I do not know anything about the other provinces. I have had the actual experience in this province of selling dressed hogs, beautiful carcasses, for $4 a hundred, and of selling in May beef cattle that had been stable fed all winter for $4 a hundred. These were the conditions back in the nineties, when as I say we could hire our men for $15 and $16 a month. Compare that with conditions to-day. Hired men to-day on the farms in our locality and round about are getting from $30 to $40 and in some cases $43 a month the year round, and their board. In some cases they have a horse fed for them, and they have the opportunity of driving out with their own horse and rig supplied by the farmer, in addition to getting $40 a month the year round. There was no horse fed for them in the early nineties, and they were then only getting $15 and $16 a month. To-day while the farmers have difficulties to contend with, and high prices generally, we can sell live hogs at $12 and $13 a hundred, and beef cattle at from $6 to $8 a hundred in the province of Ontario. Of course, we may have got into a little extravagant way of living, which is all right in its place if we have the means to do it, but conditions to-day make it far easier to live on the same plane, and to have as few "outings" so to speak, than they did in the eighties and nineties, under this great protective policy, this panacea for all our ailments, that was launched in 1878 as the great National Policy for the Dominion of Canada.

But we are told by our friends to the right that the people are leaving this country. We have heard so much of that great cry of blue ruin, and in that connection I am going to quote from an editorial in the Toronto Mail and Empire in an issue of about a month ago. It says:

Why is it that people leaving Britain seek homes rather in the United States than in Canada?

That is the question put by the Mail and Empire, and this is its answer:

The answer is that they are influenced by continuous reports of abounding prosperity and opportunity for employment at high wages in the United States, whereas the reports from Canada are very discouraging to the British people looking abroad for work. They hear of hundreds of Canadian factories being closed down, of large numbers of our people brought to distress for want of employment, and of hundreds of thousands of them leaving the country to make a living in the now famed land of opportunity next door to us.

Mr. CALDWELL: They must have been reading Hansard.

Mr. WOODS: I do not know where they got it from, but that is what the Mail and Empire says in its issue of February 21, 1925.

Now I am going to read another statement contained in a despatch from the Canadian press, dated Hamilton, February 24, 1925:

Addressing the members of the Canadian Bankers' Association at a dinner here to-night presided over by A. R. Lancefield, Sir Joseph Flavelle, of Toronto—

A man we have all heard of and whose reputation we know, and whose statements carry some weight in this Dominion:

—declared that creeping into the national life of Canada was a spirit of whining, which reflected no credit on the "men of the northern zone." He was at a loss to know what had got into some men lately, for all they appeared to do was to whine and scold at this, that and everything. This attitude was neither Canadian nor courageous. While he disagreed partly with the method by which some of Canada's post-war taxation had been levied, he thought it was time to stop scolding and get on with the day's work.

But there is another side to it. We have heard a great deal lately about the lack of prosperity, but there is something to be said on the prosperity side, and I want to read one or two extracts I have here in regard to prosperity. I want also to say that if the reduction in the customs tariff last session brought prosperity to this country, it appears to me a terrible mistake that the government of the day did not continue and go a little further in the direction they went last session, in order to bring further prosperity to the Dominion of Canada:

The largest shipment of hardware ever made in Canada left the plant of Beatty Bros., Fergus, on Saturday afternoon in a special Canadian Pacific train of 24 cars, and was composed of more than 2,000 iron farm pumps, 1,000 step and extension ladders, and 1,000 electric and hand washing machines, and barn equipment, for spring delivery to 700 dealers throughout western Canada.

Mr. CALDWELL: What is the date of that?

Mr. WOODS: I do not know the date of the item but it occurred within the last two months. I am satisfied it is not more than two months since the shipment was made. Here is a further paragraph I desire to read:

Industrial conditions in Guelph, which have not been very satisfactory all summer, are beginning to pick up. The general opinion expressed by local manufacturers is that business is improving slowly, but surely, that the corner has been turned, that the industrial situation is on the mend, and the country on the road back to prosperity.

President John M. Taylor of the Taylor-Forbes Company, one of the largest industries in the city, is optimistic as regards the outlook. This company's radiator plant is working six days a week, and overtime every night, in an effort to fill orders on hand. Crowe's iron works, another important industry, is now operating five days a week. President C. R. Crowe reporting a noticeable inprovement in conditions. The Canadian Diamalt Company, a subsidiary of the Fleischman Yeast Company, is also busy.

That the peak of the depression has been reached and passed, is the opinion of R. Marsland of the Guelph Carpet and Worsted Spinning Mills Company, Limited, who is confident that industrial conditions will show a decided change for the better after the new year.

Here is another quotation from Ottawa:

The trend of employment at the beginning of October was upward, according to returns from 5,855 firms tabulated by the Dominion Bureau of Statistics. These employers increased their payrolls from 765,422 persons on September 1 to 771,932 at the first of this month.

Manufacturing showed considerable improvement, especially in the textile, iron and steel, canning and confectionery divisions. Logging, transportation and trade also were more active, while further, though smaller, declines were registered in construction.

I have another paragraph but I will not take the time to read it. I want to refer to a manufacturing concern in my own county. It is a woollen manufacturing industry and the only one we have in the county of Dufferin. That company to-day is running night and day shifts.

Mr. CALDWELL: I thought the woollen mills were all shut down last year.

Mr. WOODS: There were rumours to that effect. However the one in the county of Dufferin did not shut down but is running night and day shifts at the present time.

Mr. CALDWELL: Good.

Mr. WOODS: It employs one hundred and fifty hands—about sixty-five men and boys, and the remainder women and girls. That

does not bear out the argument that because the customs tariff was reduced last year the country is going to ruin.

Now, I want to refer to another point and that is that protection is driving small industries out of the country. I believe the protective policy has had more to do with driving small industries from our towns and villages than anything else which has taken place in Canada. It has depopulated the rural sections of the Dominion and is forcing the young men and women, and other workers, into the large centres. Then when conditions are not favourable in those centres they cross to the country to the south to look for employment there. At any rate I am convinced of the fact that protection has done more to break up our small towns and villages and to destroy our small industries than any other agency.

Now I am going to relate a condition which came to my notice very recently which, I think, will prove conclusively the statement I have made. It is a condition that was brought to my attention by some of the fence manufacturing companies of the province of Ontario, and it is this: The Canadian fence companies that weave wire fences for the farmers import certain lines of wire free of duty, and I approve of the Canadian manufacturers obtaining their raw material duty free because it should lower their production costs and enable them to put their products on the market at a reduced price. The companies that manufacture woven wire fences have the privilege of going into the open market buying No. 9, No. 12 and No. 13 wire and importing it free of duty. There is a No. 10 wire which is a shade lighter wire than No. 9, but which still makes a very good fence. There are, as far as I know, only two large companies in Canada that manufacture steel wire for fencing, and they also manufacture fences out of No. 10 wire. They import their raw material free for the manufacture of that wire, and they put their fences woven from No. 10 wire on the market in competition with fences woven from No. 9 wire, selling them as a light No. 9 wire fence or as a standard gauge wire fence. Now, the other companies that weave wire fences do not manufacture the wire. They can go to these two particular companies and buy No. 9, No. 12, and No. 13 wire at practically the same price at which they can buy it across the line and bring it into Canada; but when it is a case of getting No. 10 wire, which is protected by a 20 per cent duty, these two particular companies manufacturing this wire say to the other companies "We will give you that wire at so much" which represents the 20 per cent duty added to the price. It is a prohibitive price for other manufacturers desirous of weaving fences from No. 10 wire. So these two companies enjoying this special advantage sell No. 10 wire at a price fifty cents higher than the other companies who sell No. 9 wire fences and they also sell No. 9 wire as well. Now fencing in this country is a very important matter not only for the farmers on the western prairies but elsewhere in Canada. Fences made from No. 10 wire can be put on the market only by these two favoured companies; the other concerns are prohibited from weaving and selling No. 10 wire fence by the addition of the 20 per cent duty. What is going to be the result of this? The result will be to drive out the other woven wire fence companies and to give a monopoly of the business to the two companies that manufacture the wire and also turn out woven wire fences, but who are selling fences made from No. 10 wire at fifty cents a hundred higher than they sell fences made from No. 9 wire. That concrete case has been brought to my attention. I have laid the matter before the government, and they say it was an old thing and has been there for years; but I am hopeful that the government of the day will remove that discrimination against the small manufacturer in favour of the larger manufacturers of wire and fencing.

In conclusion I desire to state that we have had two old, historic political parties in this country but only one policy, and that is the reason that this group to which I belong sits in this corner of the House to-day. I have read the reports in the public press of the various speeches which have been made by members of the old political parties as they toured the country during the recess. An effort has been made by them all over the country, from the Atlantic to the Pacific, to get rid of the group in this corner of the House and to get back to the old party system.

Mr. FORKE: They will not succeed.

Mr. WOODS: Never. I believe that is the reason we are here to-day. In 1878 the Conservatives came into power on the National Policy. They held office for sixteen or eighteen years, and then the Liberals adopted another policy and fought for the Mackenzie tariff or the low tariff. What did they do when they got into power? They pulled their boat right up alongside the Conservatives,

and they launched out just in exactly the same direction. We must give them credit for having introduced the preferential tariff, which was a benefit to the country. On the whole, however, as the people in the country are aware, and as they have been told repeatedly in the back concessions, we have two parties in name but one party in policy. The hon. gentleman who preceded me (Mr. MacLean, Prince) quoted from an address by the right hon. leader of the opposition (Mr. Meighen) in regard to the lowering of the tariff. I quoted from the same address a year ago, about the manufacturers hiding behind the ramparts of gold, and it is time this was done away with. That was in 1910. The Conservative policy then was, "We must get down to a lower tariff". They were going to appeal to the people and wanted to get hold of the people on that low tariff policy. But what happened? The Liberals outwitted them, went over to the United States and stole the Conservative platform. We know that the Conservative policy back in the eighties and nineties was that as soon as the United States was willing to put the natural products of the country on the free list Canada would do the same, and that we would have reciprocity in the natural products of the country. But the United States refused to accede to that request until 1911, when the Liberals went over there and made an arrangement with them in regard to it. The Conservatives then felt that they were up against it, that the Liberals had taken the ground under their feet, and some scheme had to be launched. What were they to do? They wanted to get into power. At that particular time I knew a little of the workings of that historic party to my right, and I got into the caucus. I have not time to tell my hon. friends about it to-night, because I have to catch the train. I was in close touch with an hon. member who sat in the House for thirty years, who for a time occupied the position the hon. Speaker at present holds and who later was transferred to the Senate. He and I were very friendly. What did they do? They said, "There is one hope of getting into power, and that is the loyalty cry". They raised the Union Jack to the top of the mast. I do not know what they did in other localities, but I know that in my locality they fought the contest on that particular line and nothing else, and they succeeded in winning.

Mr. STEVENS: Was that not a good place for it?

Mr. WOODS: It was a good place. I can assure hon. members I have no objection to the Union Jack being hoisted to the top of the mast. They won the election and the Liberals were in the cold shades of opposition. In the year 1919 they adopted the old platform of a reduced tariff. They were elected in 1921. I must admit that we got a little, and that they made a nice move last session, but we have got to the starting point again, more particularly in reference to the matter which I mentioned, namely the dumping clause.

Mr. FORTIER (Labelle) (Translation): Mr. Speaker, the budget speech, this year, affords to the citizens of this country the satisfaction and joy of noticing a marked improvement in our finances. For a long time to come, we shall look forward with much anxiety to the yearly budget statement of the Minister of Finance, because we shall bear in mind the never to be forgotten days of the Great War, the sacrifices we bore up with and the heavy obligations incurred. These war debts must be met. The word of honour and pledges of our predecessors must be scrupulously adhered to. Therefore, this year as in previous years the Acting Minister of Finance rightly stated:

> However, upon the Dominion treasury had fallen the cost of our share in the war, the interest on the war debt, the pensions to our disabled soldiers and to the widows and orphans of our men who had fallen at the front. The present government, representing the will of the Canadian people, has constantly borne in mind the debt we owe to the disabled and the needs of the widows and orphans, which necessitated pension increases from year to year.

We therefore have cause to rejoice that the government has managed the affairs of the country with such foresight and economy that, after having discharged in full the heavy debts, which were a consequence of the war, and met the needs of the hour, it can bring down a budget which shows a favourable balance. The latter is the result of a wise administration. The government first of all deserves our confidence on the score of wise economy. The statement of the Minister of Finance will be received with much satisfaction by the electors. Among other things the minister said:

> On the other hand, by reductions in general expenditures and by refinancing maturing loans, the government has succeeded in reducing the interest charges and also our annual expenditures, thus enabling us last year to report a material reduction in our net debt and this year a substantial reduction in taxation and a surplus in the government's own administrative services.

The government's financial transactions may thus be summed up: debt decrease, taxation decrease, expenditure decrease and a favourable balance in this year's budget.

This financial success of the government is the vindication of the people of this country

who have entrusted the Liberal party with the ship of state. Had the government to its credit but this record of restoring the finances on a sound basis, it would be entitled to the confidence and gratitude of those who had entrusted to it the task of working for the reconstruction of the country shaken by the war. Deeds speak more eloquently than high sounding words or great promises. What did the people expect, in 1921, from the government? The post-war reconstruction, the balancing of our finances. The latter has just been done by the Minister of Finance. He has established this favourable balance notwithstanding a decrease in taxation, that is to say, in the revenue, although refunding more than $35,000,000 of the national debt. I do not know when we shall be called upon to go before the electors so as to obtain their endorsation of the acts of this government, but I feel certain that no administrative acts will commend themselves more to the consideration, the confidence and respect of the people than the great concern of our leaders to re-establish equilibrium in our finances. However, the management of our national railways will be the source, for some years to come, of considerable deficits as well as capital outlay necessitated by the improvements and equipment of the railway. However, we cannot do otherwise than shoulder all the responsibilities of said management which we have not sought, but that we have accepted with the solemn promise to give it a fair trial.

Discussing the chances of success of the State management of industries, in France the champions of this system assure us of good results, providing however that the undertaking be left in the hands of a permanent and responsible chief. The government was fortunate in entrusting the management of our National railways to Sir Henry Thornton. Indeed, since he was chosen president of the railway board, Sir Henry has carried out great improvements to the National railways. This railway ownership is to the advantage of our country and helps wonderfully to the development of the newer parts of the country and to the spreading of the population. I have the honour to represent in parliament a settlement, where for more than twenty-five years, the sturdy settlers have gradually conquered the virgin forests to establish on the mountain slopes and in all the valleys of the Rouge and Lievre rivers the flourishing farms and numerous parishes which make up a wonderful landscape in the Laurentian mountains. So as to meet the needs of the settlers, accommodate these far off settlements and open up the back country, the railway has become an indispensable thing. It has always been a wise policy for our federal as well as provincial governments, to grant to private companies the necessary subsidies to induce the latter to build railways through those settlements. But do these private companies, even encouraged by these various grants always meet the needs of those districts? Do they not often require subsidies representing a considerable proportion of the cost of construction? This being the case, would it not be wiser for the government to build themselves the railway rather than supply the funds to have them built by others and for others.

Railways, however, are so necessary to the exploitation of natural resources and the reasonable development of our country, that it would be expedient to complete, as circumstances would warrant, the National railways and to subsidize, when necessary private companies willing to build branch lines. At all events, we should congratulate ourselves in possessing a national railway which furthers so well the development and expansion of our young country, and we should not fear, for some time to come, the adverse financial situation which government ownership creates.

I realize that in certain quarters, these contentions may be challenged. Commercial centres, large cities do not feel the need, as settlements directly interested in the construction of branch lines do, of continuing state-ownership. Those who receive excellent service do not generally wish for more. But as their hopes, however, turn towards other fields of vantage, they seek for such ends funds which are otherwise invested. Let me point out to you that commercial centres and large cities have come in existence through these means of communication and in particular through these railways which link them with outside points, with neighbouring or far off regions, and which contribute largely to the wonderful development of trade and industry. The great voice of cities should equally mingle their appeals to that of those parts to be developed so as to support the claims of our rural districts for the extension of our railways.

Let me conclude these few remarks concerning the National Railways by the following assertions: 1. Railway ownership is an excellent thing and, at all events, it should be considered as such for the purpose of ensuring a fair trial to this undertaking.

2. In a young country like ours the railway is the forerunner of colonization activities.

3. It is a duty to stimulate by means of subsidies the building of railways in settled dis-

tricts and for stronger reason, it is the government's duty to build railways when circumstances demand it.

The Minister of Finance has given us a glimpse of the dawn of a brighter day in the revival of activities which agriculture seems to display. He says:

> But there is a bright spot. Agricultural industries, especially in the prairie provinces, are now receiving the benefits of greatly increased prices for last year's crops, and these increased revenues are being applied, not to luxuries or comforts, but to wiping off the indebtedness incurred during the lean years. The farm, free from debt, brings more general economic value to the owner and to Canada as a whole.

Now, agriculture is the oldest, the noblest and the most remunerating of all industries. Why do we give such prominence to agriculture? It is because we are aware that it is in this industry that humanity has its fountain-head of life. While all other industries confine themselves to transforming the raw materials of which they only utilize a part, agriculture multiplies its raw materials, increases them tenfold or even a hundredfold. The sun is its great assistant in this work of creation. Agriculture is therefore one of the main branches of human activity, it is the oldest. Fenelon says that, "agriculture which is the basis of life, is the source of real worldly goods." It has always been looked upon of such importance that all the ancient traditions agree in giving it a divine origin. The notion that we have formed of agriculture, in Quebec, is that it cannot be progressive or remunerative unless it has as its basis the dairy industry. When fifty years ago, the country was suffering under a general depression and it was in the throes of a most serious economic crisis, what was the remedy proposed? Our clergy, our statesmen rose and proclaimed an agricultural crusade. They founded, in 1882, a dairymen's association and they spread throughout all the parishes this truth: that the dairy industry is the principal means of salvation for the farm. Our fathers will bear witness to the fact. It is the dairy industry which saved us from ruin; it enriched the farm, the homestead, by first paying off the mortgage and by restoring to the soil its original fertility.

In what other parts more than in those old provinces of the Dominion, is it necessary to always proclaim that the dairy industry is indispensable to agricultural development. In our parishes economic conditions may be gauged by the state the farm values stand in direct ratio to the number of well equipped and well managed butter and cheese factories as well as to the high quality of the herds. In the interesting settlements which I have the honour to represent we realize that the example of prosperous agricultural centres must be followed, and that is why this industry has had such an awakening. Is it not there that dairy industry is most needed to complete and consolidate the national work of colonization performed by our worthy and heroic pioneers.

To retain these energetic sons on the Canadian soil, to keep the settler with us, to offer him as well as to his repatriated fellow-citizen, new lands to settle upon, that is the policy which thrills with enthusiasm the heart of those who love their province. I call as witnesses those who were the great servants of our country. Does not one read on the pedestals of Cartier's monument, the advice which he gave to his fellow citizens and which he expressed in these simple words, "Let us take possession of the soil." Let us listen to this other congenial voice, that of Manager Labelle, the apostle of colonization: "It is absolutely necessary"—he repeated to the pioneers he had settled in the new parishes—"that you devote your time to the development of your primitive clearings so as to make of these wonderful northern lands, watered by rivers and lakes, the excellent pastures which will make of your region the Switzerland of Canada."

Great and numerous are the advantages which the dairy industry brings to our farms. The land is bare and desolate when it is not stocked with a fine herd. And does it not seem to you that the landscape is more picturesque, farming life more charming and attractive when you discover on the hills or the plains, in the midst of extensive grazing lands, a magnificent herd of milch-cows. Their variegated colourings bring joy to one's heart. Every evening they slowly wind their way towards the home bringing to the family the best, the richest, the healthiest food: the good and unadulterated milk.

But this hope of a new dawn, through the revival of agriculture, would shine with a brighter light, if the government had been allowed to realize its policy of new markets for the output of our products. These markets are necessary to hasten larger production and to sell at profitable prices, all the products of our farming industry.

What we need, is a trade convention with our neighbours to the south, so as to allow us to export on that market, which is the natural and best outlet that we can hope for, our farm products suitable for exportation.

I have faith in the future and believe in the destinies of our party which the Canadian people will return to power at the next general election. I hope that the voting, by testifying to a greater confidence in the policy of our government, will allow them to realize this programme of trade intercourse with the United States, so as to favour the Canadian farm and, thereby, bring to this country a better economic situation.

Now, it is with the aim of reaching, with greater facility, the so necessary markets that the government has concluded a contract with English shippers so as to control and reduce the excessive freight charges on our exports to Europe. The government acted wisely for, in the Petersen contract, they showed both desire to meet the needs of the hour, by striking at the transportation trust, and the prudence which must attend such a vast undertaking. The government critics willingly admitted the need of breaking up the trust, but they fear that the project will not serve the ends sought. If their contentions are right, those yearly subsidies during the progress of the contract are the most economic, because in case of failure, they will prove the less expensive, providing that when this contract terminates we shall be free from all future responsibilities.

In closing my remarks I wish to congratulate the government on its praiseworthy effort to better our economic situation. The government have understood that it is by these means which I have just pointed out, and by others also, which they unflinchingly put into practice, that they may reach their goal. Let me remark, by the way, that in order to carry the burden of the debt and those obligations which are summed up in the taxes, we must necessarily adopt such means as to make a more general assessment of taxes. However, this assessment cannot be carried out with the present population. We must, therefore, increase our numbers.

It is with that aim in view that the government has adopted a sound immigration and repatriation policy. And, in order that this immigration be controlled, we must require at the port of embarkation a certificate from the immigrant establishing that he is sound of body and mind. It is a prudent and wise move to restrict the number of these ports of embarkation so as to stimulate a healthy immigration flowing from Belgium, France, Switzerland, the Scandinavian countries and the British Empire, and it will do away with many quite justifiable prejudices against unrestricted immigration.

And, to stem the emigration of our people, we have but to continue the policy so well established by the government which consists in obtaining all the advantages possible so as to encourage the Canadians to make their home on the land and help them in settling and farming.

In realizing the beginning of this task of restoration accomplished by the government since they are in power, I publicly reiterate my confidence in them. And I state that it is with pleasure that I shall support with my vote the budget which has just been delivered with such ability and eloquence by the hon. Acting Minister of Finance (Mr. Robb).

On motion of Mr. Stevens the debate was adjourned.

On motion of Mr. Beland the House adjourned at 11.10 p.m.

Monday, March 30, 1925

The House met at three o'clock.

PAPER PRESENTED

Copy of order in council dated March 24, 1925, relating to pay and allowance regulations in the navy, submitted under the provisions of section 47, chapter 43, Edward VII.—Hon. Mr. Macdonald.

ALLEGED ARRANGEMENTS FOR GOVERNMENT OFFICES IN GENEVA

On Motions.

Right Hon. W. L. MACKENZIE KING (Prime Minister): On Friday the hon. member for Fort William and Rainy River (Mr. Manion) read an extract from the Mail and Empire concerning which I said I would make inquiry and give a further statement to-day. The item was as follows:

> Canadian government has rented pretentious offices in the Quai Woodrow Wilson, where Dr. W. A. Riddell, permanent envoy, expects to entertain Canadians all summer.
>
> Is this entertaining part of the policy of economy, or is it a correspondent's picturesque touch?

As a matter of fact, no premises have been rented in the Quai Woodrow Wilson. Premises have been rented in the Quai de Mont Blanc, not pretentious at all, at a rental of $500 a year. This will be reduced by sub-letting to $340 a year, or less than $30 a month. These rooms will be used for office purposes only, and are not intended in any way for entertaining.

THE BUDGET

MOTION TO AMEND THE DUMPING CLAUSES TO BE WITHDRAWN

On motions.

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

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

GOVERNMENT PROPERTY, VANCOUVER

Hon. Mr. STEVENS:

1. What amount of insurance is carried on property in Vancouver: (a) In the name of the Dominion government; (b) In the name of Vancouver Harbour Commissioners; (c) In the name of the Board of Grain Commissioners?
2. What was the total premium paid on said insurance for each of the years during 1922, 1923, 1924?
3. To whom was the said insurance given and who were the agents of the companies with whom said insurance was placed?

Right Hon. Mr. MACKENZIE KING: Stand.

Mr. STEVENS: May I direct the attention of the Prime Minister once again to the fact that the material for the answer to this question was published in the papers two weeks ago, and I see no reason why it should not be answered.

Mr. MACKENZIE KING: The answer I gave my hon. friend the other day was that the department had not officially received any word from the Vancouver Harbour Commissioners, and I assume that is still the case.

Mr. STEVENS: It was an official advertisement over the signature of the secretary of the Vancouver Harbour Board.

Mr. MACKENZIE KING: I will direct the attention of the minister to it.

APPOINTMENTS—D.S.C.R. AND SOLDIER SETTLEMENT

Mr. SPENCER:

1. Is it a fact that the appointments to the two large services, "Soldiers' Civil Re-establishment" and "Soldier Settlement Board," are exempt from the Civil Service Law and subject to political patronage? If so, why?
2. Was there an order in council passed in June, 1922, exempting 12,000 positions from the Civil Service Act, including all skilled and unskilled labour?

Hon. Mr. COPP: The Department of Soldiers' Civil Re-establishment and the Soldier Settlement Board were established in the year 1919, at which time, I gather, they were under the Civil Service Commission, but whether they were subject to patronage or not I do not know. They are not now, because these departments are being reduced year by year, and no appointments of any consequence are being made.

CANADIAN NATIONAL RAILWAYS—EXPRESS

Mr. WARD:

1. Are the officials in the various departments of the government instructed to send all packages by Canadian National Express, wherever possible?
2. If not, why?
3. Are the above officials also instructed to send all telegrams by the government line wherever possible?
4. If not, why?

Hon. Mr. COPP: Instructions have been given to the different departments of the government that preference be given if at all possible to the Canadian National Telegraph Company and the Canadian National Express Company by the different departments

MILITARY DISTRICT No. 10—COAL INQUIRY

Mr. CHARTERS:

1. Did the Solicitor General give, or cause to be given, to the Winnipeg Tribune, in November, 1924, a copy of the report of David Campbell, K.C.?
2. If so, why was such report handed to a newspaper before being submitted to parliament?

Hon. Mr. McMURRAY:

1. No.
2. Answered by No. 1.

Mr. COOTE:

1. To whom was the contract awarded for the supply of coal to the Tuxedo Military Barracks, Winnipeg, for the period of July 1st, 1920 to June 1st, 1921?
2. Was any particular coal named in the contract?
3. If so, what was the name of the coal specified?
4. What was the number of tons specified?

Hon. Mr. MACDONALD:

1. Halliday Brothers, 10 tons smith's coal, 120 tons "Lethbridge" stove; Winnipeg Supply & Fuel, 450 tons "Western Gem" stove size; Canadian Coal Sales Ltd., 6,500 tons "Blairmore" bituminous run of mine.

2, 3 and 4. Answered by No. 1.

POSTAL CLERKS AND LETTER CARRIERS

Mr. WOODSWORTH:

1. Is the government aware that the letter carriers and postal clerks of the United States have recently received an increase of $300 per year in salary, which places their minimum and maximum at $1,700 and $2,100 per annum?

2. Is it the intention of the government to introduce legislation at this session whereby the postal clerks and letter carriers of Canada will receive a similar amount of $300 on their present salaries, which are now much below the poverty line?

3. If not, why not?

Hon. Mr. MURPHY: This question contravenes rule 37 in that it contains an assertion of fact. If my hon. friend will have the question amended, it will be answered immediately.

JAPAN—ALIEN LAND OWNERSHIP

Hon. Mr. STEVENS:

1. Has the government noticed the Associated Press report of the passage by the Lower House of the Diet of Japan, of a bill entitled "Alien Land Ownership" Bill?

2. Has the government examined the terms of the said measure, in relation to the Commerce Treaty of 1913?

3. Is the said bill in conflict with the rights of Canadion nationals in Japan, and if so, has any representation been made to protect the said rights?

Right Hon. Mr. MACKENZIE KING:

1. No.

2 and 3. Answered by No. 1.

PEACE RIVER RAILWAY OUTLET

Hon. Mr. STEVENS:

1. Is the government thoroughly alive to the need of a rail outlet from the Peace River district to the Pacific coast?

2. Was an announcement made by the government last autumn that the question of a suitable route for such outlet should be submitted to the heads of the two great railway systems?

3. During the past two months, has the government endeavoured to secure the report or reply to the said question?

4. If so, what is the estimated cost of the said railway?

5. Is it the intention of the government to proceed with the construction of the said railway this year?

6. Is it the intention of the government to provide such outlet for the produce of the Peace River country, in order to prevent the depopulation of that district?

Hon. Mr. GRAHAM:

1. The Canadian National Railways have had a party investigating the Peace River district for the last two years.

2. Not so far as I am aware; but in January last a conference was held in the office of the Minister of Railways at which, among others, were present the heads of the railways with their engineers, and at that conference the heads of the Canadian National Railway and the Canadian Pacific Railway were asked to consult with each other, and if possible bring in a joint report as to what would be the wiser way to develop the Peace River district.

3. Yes.

4. The report has not yet been received.

5 and 6 under consideration.

CIVIL SERVICE COMMISSION

Mr. LOVETT:

1. What has been the total cost to Canada of the Civil Service Commission for each year since its inception, including 1924, giving an itemized statement of said expenditure?

2. What were the number of employees of the commission, their salaries and all attendant expenses?

3. How many positions in each province have been filled by said commission since its inception down to and including the year 1924?

4. How many positions in each province, in what is known as the outside service, have been filled by the Civil Service Commission since its inception to and including the year 1924, and what has been the total cost to Canada of same?

Hon. Mr. COPP:

1. The total cost to Canada of the Civil Service Commission for each year since its inception including 1924, giving an itemized statement of said expenditure.

1908-09 Civil government salaries		$ 7,947 47
Contingencies:		
Examiners and assistants	$ 398 20	
Travelling expenses	239 15	
Printing and stationery	3,586 87	
Miscellaneous	359 78	
		4,584 00
		$ 12,531 47
1909-10 Civil government salaries		$ 16,647 77
Contingencies:		
Examiners and rent of halls	$ 5,969 23	
Travelling expenses	721 55	
Printing and stationery	3,400 52	
Temporary assistance	868 29	
Incidentals	324 80	
		11,284 39
		$ 27,932 16
1910-11 Civil government salaries		$ 17,850 00
Contingencies:		
Examiners	$ 8,595 34	
Rent of halls	796 30	
Travelling expenses	646 60	
Printing and stationery	2,650 58	
Temporary assistance	243 24	
Incidentals	563 26	
		13,495 32
		$ 31,345 32
1911-12 Civil government salaries		$ 22,062 78
Contingencies:		
Examiners	$ 8,535 20	
Rent of halls	842 25	
Travelling expenses	1,282 90	
Printing and stationery	2,838 21	
Temporary assistance	283 56	
Incidentals	441 58	
		14,223 70
		$ 36,286 48

1912-13 Civil government salaries		$ 22,964 93
Contingencies:		
Examiners	$ 8,041 68	
Rent of halls	541 33	
Travelling expenses	606 01	
Printing and stationery	2,796 53	
Temporary assistance	256 02	
Incidentals	327 08	
		12,568 65
		$ 35,533 58
1913-14 Civil government salaries		$ 24,225 60
Contingencies:		
Examiners	$ 8,002 00	
Rent of halls	676 40	
Travelling expenses	42 80	
Printing and stationery	4,701 09	
Temporary assistance	761 14	
Incidentals	429 89	
		14,613 32
		$ 38,838 32
1914-15 Civil government salaries		$ 26,362 50
Contingencies:		
Examiners	$ 7,508 25	
Rent of halls	759 60	
Travelling expenses	2,074 00	
Printing and stationery	4,153 54	
Temporary assistance	306 40	
Incidentals	557 28	
		15,359 07
		$ 41,721 57
1915-16 Civil government salaries		$ 26,646 40
Contingencies:		
Examiners	$ 8,337 80	
Rent of halls	666 65	
Travelling expenses	950 35	
Printing and stationery	3,997 78	
Temporary assistance	870 76	
Incidentals	500 31	
		15,323 65
		$ 41,970 05
1916-17 Civil government salaries		$ 26,447 20
Contingencies:		
Examiners	$ 7,417 90	
Rent of halls	740 30	
Travelling expenses	272 85	
Printing and stationery	3,905 41	
Temporary assistance	219 90	
Incidentals	417 95	
		12,974 31
		$ 39,421 51
1917-18 Civil government salaries		$ 30,372 65
Contingencies:		
Examiners	$ 5,575 95	
Rent of halls	652 55	
Travelling expenses	319 25	
Printing and stationery	5,473 69	
Temporary assistance	907 70	
Incidentals	623 65	
		13,552 79
		$ 43,925 44
1918-19 Civil government salaries		$ 42,002 84
Contingencies:		
Examiners	$ 12,731 13	
Travelling expenses	1,152 08	
Printing and stationery	21,079 62	
Temporary assistance	20,196 73	
Temporary assistance (O.B.)	7,479 64	
Incidentals	3,894 06	
		66,473 26
		$108,476 10
War bonus	$3,579 55	
1919-20 Civil government salaries		$ 72,074 52
Contingencies:		
Examiners	$ 15,242 04	
Rent of halls	1,680 43	
Travelling expenses	692 41	
Printing and stationery	32,865 30	
Temporary assistance	67,878 88	
Incidentals	3,883 42	
		122,242 48
		$194,317 00
Cost of living bonus	$22,624 35	
1920-21 Civil government salaries		$107,140 87
Contingencies:		
Examiners	$ 14,246 12	
Rent of halls	2,627 32	
Travelling expenses	2,951 77	
Printing and stationery	40,537 37	
Temporary assistance	105,006 59	
Incidentals	12,075 34	
		177,444 51
		$284,585 38
Cost of living bonus	$39,307 96	
1921-22 Civil government salaries		$178,264 61
Contingencies:		
Examiners	$ 8,219 56	
Rent of halls	1,532 27	
Travelling expenses	4,373 37	
Printing and stationery	26,750 71	
Temporary assistance	77,319 21	
Incidentals	5,461 97	
		123,657 09
		$301,921 70
Cost of living bonus	$35,553 08	
1922-23 Civil government salaries		$200,379 34
Contingencies:		
Examiners	$ 5,957 99	
Rent of halls	1,037 96	
Travelling expenses	1,766 73	
Printing and stationery	15,268 83	
Temporary assistance	44,158 29	
Incidentals	3,649 68	
		71,839 48
		$272,218 82
Cost of living bonus	$16,144 48	
1923-24 Civil government salaries		$202,119 83
Contingencies:		
Examiners	$ 5,275 59	
Rent of halls	1,129 55	
Travelling expenses	2,350 43	
Printing and stationery	17,077 67	
Temporary employees	37,392 03	
Incidentals	3,489 01	
		66,714 28
		$268,834 11
Cost of living bonus	$15,692 23	

1924-25 Civil government salaries		$155,915 21
Contingencies:		
(April 1 to December 31, 1924.)		
Examiners	$ 3,971 66	
Rent of halls	636 60	
Travelling expenses	1,609 03	
Printing and stationery	8,843 69	
Temporary assistance	13,796 54	
Incidentals	3,413 12	
		32,270 64
		$188,185 85
Cost of living bonus	$6,394 55	

2. (a) Number of employees of the Commission.

Year	Permanent	Temporary	Total
1908-09	6	0	6
1909-10	8	1	9
1910-11	10	0	10
1911-12	13	0	13
1912-13	12	0	12
1913-14	15	0	15
1914-15	15	1	16
1915-16	14	2	16
1916-17	14	0	14
1917-18	15	8	23
1918-19	25	53	78
1919-20	42	103	145
1920-21	73	163	236
1921-22	124	86	210
1922-23	128	52	180
1923-24	129	24	153
1924-25	125	20	145

(b) The amount paid for salaries and expenses is shown in answer to No. 1.

3. The number of positions in each province, filled by the Civil Service Commission since its inception down to and including the year 1924.

Alberta	1,837
British Columbia	1,748
Manitoba	1,618
New Brunswick	815
Nova Scotia	1,114
Ontario	4,109
Ottawa	5,495
Prince Edward Island	151
Quebec	2,436
Saskatchewan	1,817
Yukon and Northwest Territories	51
Outside Canada	31
Not stated	245
	21,467

4. (a) Prior to February 13th, 1918, appointments to the "Outside Service" were not made by the Civil Service Commission. Since that date the number of appointments to the "Outside Service," other than Postmasters, has been as follows, by provinces:—

Year ending	Alberta	British Columbia	Manitoba	New Brunswick	Nova Scotia	Ontario	Prince Edward Island	Quebec	Saskatchewan	Yukon and N.W.T.	Outside Canada	Not Stated
1. Aug. 31, 1918 (6ms)	20	16	35	8	10	69	2	31	13	..	1	9
2. Dec. 31, 1919 (15ms)	211	135	378	55	85	412	18	218	162	7	4	27
3. Dec. 31, 1920	114	146	164	93	118	335	24	172	84	4	5	57
4. Dec. 31, 1921	208	273	214	113	143	482	15	285	151	11	11	94
5. Dec. 31, 1922	173	136	160	85	99	455	18	235	128	3	2	8
6. Dec. 31, 1923	95	183	142	57	70	515	7	231	123	7	2	26
7. Dec. 31, 1924	110	192	90	62	74	393	8	190	116	6	6	24
	931	1,081	1,183	473	599	2,661	92	1,362	777	38	31	245

POSTMASTERS

Year ending	Alberta	British Columbia	Manitoba	New Brunswick	Nova Scotia	Ontario	Prince Edward Island	Quebec	Saskatchewan	Yukon and N.W.T.	Outside Canada	Not Stated
1. Aug. 31, 1918 (6ms)	117	51	46	45	47	148	4	115	108			
2. Dec. 31, 1919 (15ms)	142	101	76	51	101	230	11	163	183	1		
3. Dec. 31, 1920	271	208	124	111	174	345	15	268	307	1		
4. Dec. 31, 1921	249	195	122	100	137	389	14	316	288	4		
5. Dec. 31, 1922	39	50	30	18	29	151	3	57	62	6		
6. Dec. 31, 1923	38	37	19	7	11	99	7	92	46	1		
7. Dec. 31, 1924	30	25	18	10	16	86	5	63	46	..		
	906	667	435	342	515	1,448	59	1,074	1,040	13		

4. (b) The total cost of the commission is given in answer to No. 1. The making of appointments to the outside service is only one of many important functions administered by the commission and there is no way of apportioning the expenditure to the several branches of the commission's activities.

CAPITAL EXPENDITURE—COMMITMENTS

Sir HENRY DRAYTON:

1. What are the amounts of outstanding claims for capital expenditure for the current fiscal year received by February 28, 1925, and yet unpaid?

2. What is the total amount of commitments in respect of capital expenditure for the current fiscal year, and as yet unpaid?

Hon. Mr. COPP:

Department of Public Works—

1. Esquimalt New Dry Dock	
Due to the Peter Lyall & Sons Construction Co., Limited, for work done to 31st January, 1925	$ 11,040
Due to Hodgson King & Marble for work done to 31st January, 1925	7,270
2. Estimated commitments additional to those reported in connection with Question No. 1	
Public Buildings (Capital)	$320,000
Harbours "	284,000
	$604,000

CANADIAN NATIONAL RAILWAYS—FREIGHT

Sir HENRY DRAYTON:

What was the percentage of the movement of grain, ive stock, forest products, coal and ore to the total freight traffic in each of the years 1923 and 1924, in the different regions of the Canadian National Railways and affiliated companies in Canadian territory?

Hon. Mr. GRAHAM:

	Per cent of Movement	
Commodity	1924	1923
Grain	60.25	59.37
Other commodities	39.75	40.63
Total	100.00	100.00

Except as to grain carried in the western region, the Canadian National management state it is impossible to supply percentage of movements of separate commodities, either as to regions or provinces.

The Transportation branch of the Bureau of Statistics, Department of Trade and Commerce, is, similarly, unable to supply it.

CANADIAN WHEAT BOARD

Mr. ANDERSON:

1. Have all moneys accruing to the farmers of Canada from the sale of wheat, under the Canadian Wheat Board, been distributed?

[Mr. Copp.]

2. If not, what amount is still owing to the farmers of each province, respectively?

3. When does the government intend to distribute the balance?

Hon. Mr. LOW:

1. No.

2. The order in council of February 7, 1925, authorized the Minister of Finance to distribute $560,000 to the provinces in the following proportions, as set forth in the said order:—

	Per cent
Saskatchewan	50.75
Manitoba	23.00
Alberta	20.00
Ontario	4.75
Quebec	1.15
British Columbia	0.35

So far the Department of Finance has not distributed any portion of this amount.

In addition to the above, there were, on March 4, 1925, between 18,000 and 19,000 participation certificates outstanding, representing a value in round figures of $197,000.

The amounts still owing to the farmers of each province, in so far as participation certificates are concerned, cannot be indicated by provinces.

3. The participation certificates will be paid on presentation. In so far as the distribution of the moneys authorized by order in council of February 7, 1925, is concerned, this distribution will be made in due course.

COLONEL J. L. RALSTON

Mr. BLACK (Halifax):

What is the total amount paid to Colonel J. L. Ralston, individually, and his law firm Maclean, Burchell, Ralston and Paton, Halifax, Nova Scotia, for legal services since 1921?

Hon. Mr. COPP: Nothing.

EGG IMPORTATIONS

Mr. McQUARRIE:

1. Is the government aware that large shipments of American and Chinese eggs have recently arrived in Canada and have appreciably decreased the price of eggs in Canada, as reported in the Vancouver Province of March 8, 1925?

2. Have any representations been received by the government, as to the unfair competition confronting Canadian poultrymen by reason of the fact that the duty on eggs entering the United States from Canada is 8 cents, and the duty on eggs entering Canada from the United States is only 3 cents per dozen?

3. If so, from whom have such representations been received?

4. Does the government contemplate any, and what action, to effectively meet the situation complained of?

5. Have any representations been received by the government, as to the necessity for a proper system of egg marking to distinguish Canadian from American and Chinese eggs, when same are placed on the Canadian market?

6. If so, from whom have such representations been received?

7. Does the government contemplate any, and what action, to effectively meet the situation complained of?

Hon. Mr. MOTHERWELL:

1. Yes, but such imports are decreasing as is evidenced by the figures given below:

Fiscal year	United States	Chinese
1923	.. 8,256,168 dozen	.. nil
1924	.. 6,454,313 dozen	.. nil
*1925	.. 2,429,655 dozen	..†75,000 doz.

* April 1, 1924, March 23, 1925.

† Two other cars (30,000 dozens) of Chinese eggs arrived but failed to pass inspection and were refused entry.

2. Yes.

3. The Surrey Farmers' Institute, Cloverdale, B.C., and the Record of Performance Poultry Breeders' Association of Ontario.

4. The question of meeting this situation from a tariff standpoint has not been discussed. Regulations are at present in force respecting the marking and grading of eggs under the Live Stock and Live Stock Products Act, and Clauses 5, 25, 26, 27, 28, 29, 30, and 31, of these regulations cover foreign eggs imported into Canada.

5. Yes.

6. The Surrey Farmers' Institute Cloverdale, B.C.

7. Identification of foreign eggs entering Canada is provided for in Clauses 27 and 29 of the regulations referred to in Answer No. 4. Action, other than the policy embodied in these two sections has not been contemplated.

VITAL STATISTICS

Mr. FORRESTER:

What was the total number of deaths in the Dominion of Canada during the year 1924?

Hon. Mr. LOW:

The total number of deaths in the registration area of Canada, which includes all provinces excepting Quebec, for the eleven months of 1924 ended November 30, was 57,288. For the whole year they will approximate 69,000. In the year ended June 30, 1924, there were 35,149 deaths reported for Quebec.

CANADIAN NATIONAL RAILWAYS

Mr. McQUARRIE:

1. What is the distance between Edmonton, Alberta, and Port Mann, via the Canadian National railway?

2. What is the distance between Edmonton, Alberta, and Prince Rupert, via the Canadian National railway?

3. Has the government let a contract for the construction of a grain elevator at Prince Rupert? If so, what is the amount of said contract and what does it cover?

4. Were tenders called for, and what was the amount of the lowest tender?

5. What is the amount of the engineer's estimate of the cost of said elevator?

6. What will be the capacity of the said elevator when completed?

7. Is it the intention of the government to equip said elevator with automatic car dumps or standard power shovels for unloading of cars of grain?

Hon. Mr. LOW:

1. 755 miles.

2. 957 miles.

3. No. A contract has been let for the foundations only.

4. Tenders for the grain elevator have not yet been called for, apart from the foundations.

5. No estimate can be made until the plans are completed.

6. The capacity, as at present proposed, is approximately 1,350,000 bushels.

7. Yes.

CANADIAN NATIONAL RAILWAYS—NEW RADIO STATION

Mr. McQUARRIE:

1. Is it true that the Canadian National Railways is establishing a new radio station on Lulu island in the constituency of New Westminster, which will be one of the most powerful and modern plants on the Pacific Coast?

2. Is it the intention to broadcast from the said station, Canadian news to steamers plying on the Pacific?

3. Is the government aware that passenger steamers plying between Canadian ports on the Pacific, and Australia and other countries, publish in their daily wireless news, practically no Canadian news?

4. Is the government aware that the wireless operators on such passenger steamers would willingly accept and publish all important items of Canadian news when sent out free from such stations as the one referred to in the first question?

5. Is the government aware that the government of New Zealand has made arrangements for the New Zealand stations to broadcast New Zealand news to the steamers plying on the Pacific, and as a result thereof, New Zealand news appears conspicuously in the wireless publications issued on such steamers?

6. Why could not a similar arrangement be made so far as Canada is concerned?

Hon. Mr. GRAHAM:

1. Yes.

2. The broadcasting of news items to ships at sea is one of the features at present under consideration by the Canadian National Railway management in connection with the new radio station.

3. No information.

4. No information.

5. No information.

6. See answer to question No. 2.

MILITARY DISTRICT No. 2

Mr. CHURCH:

1. Who is the present head of No. 2 Military District, when was he appointed, and where did he reside previous to appointment?

2. Who was the last head of Military District No. 2, and where did he reside when appointed?

3. How many non-residents of Toronto have been appointed to positions in the Militia department in Toronto during the past five years, what are their names and where did they reside when appointed?

4. Why are suitable returned men, fully qualified, residing in Toronto, passed over for such positions?

Hon. Mr. MACDONALD:

1. Colonel (Temp. Colonel Commandant) (Hon. Brig. Genl.) A. H. Bell, C.M.G., D.S.O., date of appointment, 1st March, 1925, formerly District Officer Comm'd M.D. 13, Calgary, Alta.

2. Colonel (Temp. Col. Commondant) A. H. Borden, D.S.O., formerly General Staff Officer, Military District No. 10, Winnipeg, Manitoba.

3. Eight: Major General H. A. Panet, C.B., C.M.G., D.S.O., formerly commanding Military District No. 1, London; Col. (Temp. Col. Commdt.) A. H. Borden, D.S.O., formerly General Staff Officer, Military District No. 10, Winnipeg, Man.; Col. (Temp. Col Commdt.) (Hon. Br. Genl.) A. H. Bell, C.M.G., D.S.O., formerly commanding Military District No. 13, Calgary, Alberta; Major (Bvt. and Temp. Lt. Col) H. E. Boak, D.S.O., formerly serving with Royal Canadian Horse Artillery, Kingston; Capt. and Bvt. Colonel J. L. R. Parsons, C.M.G., D.S.O., formerly General Staff Officer, Military District No. 12, Regina, Sask.; Major and Bvt. Lt. Col. C. B. Russell, D.S.O., formerly District Engineer Officer, Mil. Dist. No. 11, Victoria, B.C.; Major and Bvt. Lt. Col. W. R. Robinson, O.B.E., formerly District Supply and Transport Officer, M.D. No. 1, London; Lt. Col N. A. McCrimmon, formerly District Cadet Officer, Military District No. 1, London.

4. Officers of the permanent force are changed from one station to another according to requirements of the service and promotions are made on officers' qualifications without regard to their places of residence.

POPULATION OF ONTARIO CONSTITUENCIES

Mr. CHURCH:

What is the estimated population of each of the constituencies of Ontario, under the Redistribution Act 1924, by constituencies, as estimated by the special committee of the House that dealt with this question in the last session of parliament?

Hon. Mr. LOW:

The estimated population of the electoral districts of Ontario, under the Redistribution Act 1924, as supplied to the special committee on Redistribution, is as follows:

[Mr. Church.]

Ontario

Algoma East	37,553
Algoma West	35,297
Brant	20,085
Brantford City	33,292
Bruce North	20,872
Bruce South	23,413
Carleton	32,673
Dufferin-Simcoe	40,225
Durham	24,629
Elgin	35,413
Essex East	25,283
Essex South	29,375
Essex West	49,418
Fort William	27,969
Frontenac-Addington	30,696
Glengarry	20,518
Grenville-Dundas	33,953
Grey North	30,667
Grey Southeast	28,384
Haldimand	21,287
Halton	24,899
Hamilton East	54,428
Hamilton West	52,250
Hastings-Peterborough	30,406
Hastings South	36,165
Huron North	23,540
Huron South	23,548
Kenora-Rainy River	27,580
Kent	50,638
Kingston City	24,104
Lambton East	28,271
Lambton West	30,418
Lanark	32,993
Leeds	34,909
Lincoln	48,625
London	53,838
Middlesex East	27,994
Middlesex West	25,033
Muskoka-Ontario	34,859
Nipissing	49,997
Norfolk	35,937
Northumberland	30,512
Ontario	31,074
Ottawa	93,740
Oxford North	24,527
Oxford South	22,235
Parkdale	61,428
Parry Sound	27,022
Peel	23,896
Perth North	32,461
Perth South	18,382
Peterborough W	33,986
Port Arthur-Thunder Bay	28,297
Prescott	26,478
Prince Edward-Lennox	25,494
Renfrew North	26,950
Renfrew South	27,061
Russell	43,413

Ontario—Concluded

Simoce East	37,122
Simoce North	22,100
Stormont	25,134
Timiskaming North	25,935
Timiskaming South	31,766
Toronto East	63,860
Toronto East Centre	69,694
Toronto-High Park	49,752
Toronto North East	58,319
Toronto North West	61,494
Toronto-Scarborough	48,624
Toronto South	48,525
Toronto West Centre	59,197
Victoria	33,995
Waterloo North	41,698
Waterloo South	33,568
Welland	66,668
Wellington North	19,833
Wellington South	34,327
Wentworth	46,889
York North	36,222
York South	29,394
York West	60,156

MOTT'S WHARF, QUEEN'S COUNTY, N.B.

Mr. JONES:

1. What was the total cost of the repairs to Mott's wharf, parish of Cambridge, Queens county, New Brunswick?
2. Were tenders called for repairs to said wharf?
3. If so, who were the tenderers and what was the amount of each tender?
4. To whom was the contract awarded?
5. If work was done by day labour, who was superintendent, how much time did he work, and what rate of pay did he receive?
6. How many labourers were engaged on the work, what are their names, and what amount did each receive?
7. What material was used, who supplied same, and at what cost?

Hon. Mr. KING (Kootenay):

1. $2,512.73.
2. No. Work done by day labour.
3. Answered by No. 2.
4. Answered by No. 2.
5. (a) Frank L. Harris.
   (b) 38 days at $5 per day.
6. (a) 12 labourers, 3 carpenters and 1 team.
   (b) Robert Mott .. $ 76 25
   Gordon Holder .. 50 00
   George Pugsley .. 25 00
   Fred Pugsley .. 53 75
   Jack Burgess .. 65 00
   Seely MacLean .. 15 00
   George Carney .. 35 00
   Walter Pugsley .. 37 50
   Sidney Wilkins .. 36 25
   William Rees .. 32 50
   Hazen Holder .. 8 75
   Ronald MacLean .. 5 00
   Team
   George Pugsley .. 27 50
   Carpenter
   K. J. Kelly .. 129 50
   Marshall Rees .. 88 00
   Hosia Fanjoy .. 42 00
7. Messrs. Gandy & Allison, Ltd., St. John N.B.
   730 bags Canada cement 182½ bbls. at $4.15 .. $757 38
   Freight .. 73 00
   40 bars ¾" reinforcing steel, each 15' long, 1,150 lbs. at $4.85 .. 55 78
   Freight .. 2 30
   $888 46
   To be deducted 730 cement bags returned at .15 .. $109 50
   Less freight .. 1 40 108 10
   Total .. $780 36

Wm. Lewis & Sons, St. John, N.B.

1 pile driver hammer	$43 00
Hook shackle and bolt	3 20
30 bolts 5/8" x 6" at .06	1 80
20 bolts 3/8 x 6" at .04	80
Pressed washers 4 lbs. at .09	36
24 screw bolts 1" x 12" at .30	7 20
48 pressed washers 8 lbs. at .10	80
Sales tax	2 86
Freight	1 50
	$61 52

J. Splane & Co. St. John, N.B.

30 fath. 3" best Manila rope 43 lbs. at .21	9 03
2-8" single patent galvd. I.S. blocks at $2.15	4 30
Freight	25
	$13 58

Murray & Gregory, Limited, St. John, N.B.

40 s. ft. 1½ x 5 7/8 No. 1 Birch D4S $70.00	$ 2 80
Tax	14
Freight	40
	$ 3 34

W. H. Thorne & Company, St. John, N.B.

100 lbs. wire No. 15	$ 5 05
Freight .40	40
	$ 5 45

C. H. Haves, Head of Millstream, N.B.

1,000 ft. boards at $22.00	$22 00
355 ft. scantling and deals at $24.00	8 52
	$30 52

Reid Bros.—Gagetown, N.B.

1,072 Sp. ft. 8 x 8 spr. at $33.. ..	$35 37
895 Sp. ft. 1″ hemlock at $28 ..	25 06
203 Sp. ft. 2 x 4 spr. at $30.. ..	6 09
239 Sp. ft. 2 x 3 spr. at $30.. ..	7 17
To towing same, delivery charge..	8 00
To 700 Sp. ft. 1″ refuse at $23 delivered..	16 10
305 Sp. ft. 2 x 4 refuse at $23 delivered..	7 01
	$104 80

Robertson, Foster & Smith, Ltd., St. John, N.B.

75 ft. ¾″ E. W. Chain 444 lbs. $10.35..	$45 95
Freight..	1 00
	$46 95

Gordon L. Holder, Cambridge, N.B.

31 pieces of piling at $1.80..	$55 80

H. H. Mott, Central Cambridge, N.B.

2 lengths scantling 2 x 6 x 23 ft.—46 ft. at $35..	1 61
3 lengths 2 x 6 x 16 ft. long—48 ft. at $30..	1 44
3 joints 6″ stove pipe at 35 cents.	1 05
2 elbows at 35 cents..	70
2 piling 16 ft. long $1.50..	3 00
Repairing drill..	3 00
	$10 80

Parker Courier, Fredericton, N.B.

46 bags cement at 98 cents per bag.	45 08

Slocum & Harris, Young's Cove Road, N.B.

120 lbs. nails and spikes..	$ 7 55
1 file and 1 D.B. axe $2.25..	2 41
1 axe handle, 25, 1 pair hinges, 65.	90
1 padlock, .55. 65 lbs. tar paper $3.25..	3 80
12 lbs. rope $3.24, 1 pair hinges, .35	83
½ gal. motor oil, .58, 1 can cup grease, .25..	83
3 tar pails $1.20, 1 gal. motor oil, $1.30..	2 50
3 peaveys, $3.30 and freight, 35—$10.25, 1 rule, .80..	11 05
1 square, $2.00, 1 cross cut saw, $6.25..	8 25
Saw handles, .60, 3 peavey sticks, $2.70..	3 30
1 bbl. gasoline, $10.97, freight, $1.00..	11 97
1 gal. motor oil..	1 30
	$57 45
Gas returned 18 gals., 25½c...	4 59
	$52 86

[Mr. J. H. King.]

Parker Courier, Fredericton, N.B.—*Concluded.*

600 ft. hemlock deals..	14 40
Cartage..	2 00
	$69 26

Alfred West, Cole's Island, N.B.

373 ft. hemlock 10 x 10 at $25.00.	$ 9 33
Freight..	1 49
200 ft. boards at $24.00..	4 80
Freight..	80
	$16 42

Myles Webster, Shannon, N.B.

150 c. yds. gravel and sand, 12c. per yard	$18 00

Hiram Humphrey, Cambridge, N.B.

1 gal. paint oil for forms..	$ 1 40
10 lbs. 6″ spikes, 6c..	60
	$ 2 00

John Gunter, Mill Cove, N.B.

8 steel plates 18″ x 4½″ clamps for post..	$ 4 00
16 bolts 7/8 15″ long..	1 00
	$ 5 00
Re. cranking auger..	50
	$ 5 50

Burton G. Carpenter,—Shannon, N.B.

For transportation of 150 c. yds., gravel and sand from Belyea's Cove to Mott's wharf at $1.50 per yard..	$225 00
For transportation of 1,200 feet lumber and fenders..	5 00
For transportation of 65 bags cement..	5 00
	$235 00

Steamer "Premier".

For transportation from Scotch-town to Jemseg—	
36 bags cement..	$ 3 60
1 mixer..	8 00
	$11 60

Geo. Pugsley.—Central Cambridge, N.B.

To 8 days work team at $5.00 per day..	$40 00

Fred Pugsley.—Central Cambridge, N.B.

To 5 days single team, $4.00 per day..	$20 00

John Holder.—Cambridge, N.B.

Scow hired ten days at $1.00 per day	$10 00
Towing scow from Lower Cambridge to Mott's Wharf	5 00
	$15 00

Alfred Ashburne.—Gagetown, N.B.

Ferry from Gagetown to Jemseg, N.B.

Loading and unloading 1,000 ft., sawed lumber	$ 4 00
3 lengths of boom chain, weight 150 lbs	75
	$ 4 75

INSURANCE ON GOVERNMENT ELEVATORS

Hon. Mr. STEVENS:

1. What amount of insurance is carried on the Dominion government elevators, (a) at Fort William, (b) Moose Jaw, (c) at Calgary?
2. What was the total premium paid in each case?
3. What was rate charged in each case?

Hon. Mr. LOW:

1. None.
2. Answered by No. 1.
3. Answered by No. 1.

CANADA GRAIN ACT—MR. JUSTICE MACLEAN'S JUDGMENT

Hon. Mr. STEVENS:

1. Was judgment delivered by Mr. Justice A. K. Maclean in the Exchequer court, on June 25, last, declaring that subsection 7, section 95 of the Grain Act, was ultra vires of the federal parliament?
2. Has any appeal been made from the said decision?
3. What is the effect of the said judgment in regard to (a) the right of public terminal elevators to retain any overages that may be shown at the annual weigh-up, (b) the right of the shipper of grain to an accounting for the value of grain saved from the dockage made under official inspection?

Hon. Mr. LOW:

1. Yes.
2. Yes.
3. (a) The effect of the judgment is that elevators may retain overages as against the Board of Grain Commissioners or His Majesty.
(b) This question was not in issue.

GOVERNMENT PROPERTY IN VANCOUVER

Mr. BLACK (Yukon):

1. Has the government received an offer or offers to purchase or lease the government's property situated on the southwest corner of Granville and Pender streets, Vancouver, British Columbia?
2. If so, from whom have such offers been received and what are the offers?
3. Will the government before disposing of such property give public notice of its intention to dispose of same and call for tenders from the public?
4. Is the Government negotiating for the disposal of such property?
5. Is it the intention of the Government to dispose of said property and if so, in what manner?

Hon. Mr. KING (Kootenay):

Nos. 1, 2, 3, 4 and 5. A number of inquiries have been received regarding disposal of the government property situated on the southwest corner of Granville and Pender streets, Vancouver, known as the old post office. As a result, it is the intention to shortly call for tenders by public advertisement.

ALLEGED POTATO COMBINE

Mr. KENNEDY (Glengarry and Stormont):

1. Has an investigation been commenced under the Combines Investigation Act, into an alleged combine in connection with the marketing of the New Brunswick potato crop?
2. If so, is it still being carried on, or has it collapsed as stated in the press?
3. Is it true as reported in the press that this investigation will cost the country fifty or one hundred thousand dollars?
4. If not, what will the estimated cost be?
5. Who have been appointed to carry on the investigation and at what remuneration?
6. When will a report be made to the minister, and will such report be published?

Hon. Mr. MURDOCK:

1. Yes.
2. Inquiry is still being carried on.
3. See answer to question 4.
4. It is not possible to estimate the cost of the inquiry at this time, but it is thought that it will not exceed, $6,000.00.
5. No one has been especially appointed to conduct the investigation, which is being carried out by the Registrar of the Combines Investigation Act, who is a permanent civil servant and who receives no additional remuneration on account of this inquiry. Mr. P. J. Hughes, K.C., of Fredericton, N.B., has been instructed by the Department of Justice to act as counsel when desired, his remuneration being at the rate of fifty dollars per diem for the time his services are utilized.
6. A report will be made to the minister, in accordance with section 21 of the act, at the conclusion of the investigation. Publication of the report will be in accordance with section 22 of the act which states: "Within fifteen days after its receipt by the minister the report...shall be made public unless the commissioner is of the opinion that the public interest would be best served by withholding publication and so states in the report itself, in which case the minister may exercise his discretion as to the publicity to be given to the report in whole or in part."

ALBERTA COAL MINE ROYALTIES

Mr. GARLAND (Bow River):

1. What was the total amount of royalties collected from the coal mines of the province of Alberta in each of the past five years, by the Federal government?
2. What was the total amount of above royalties due in each of these years?
3. What is the total amount now outstanding.

Hon. Mr. STEWART:

1.

Year	Amount collected for royalties
1920	$ 190,545 80
1921	185,436 88
1922	171,723 83
1923	210,389 53
1924	148,933 30

2.

Year	Total amount due for royalties
1920	$ 35,010 64
1921	63,640 84
1922	31,658 60
1923	36,716 89
1924	34,829 67

3. The total amount now outstanding is—$34,829.67.

ELEVATOR MEN—CAPS

Mr. GARLAND (Carleton):

1. How many uniform caps were purchased for the elevator service men of the government buildings in 1923 and 1924?
2. From whom were these purchased?
3. Were tenders called for, and if so, was the lowest tender accepted?
4. What was the price paid?

Hon. Mr. KING (Kootenay):

1. 96.
2. William Scully, Ltd., Montreal, P.Q.
3. (a) Yes. (b) Yes.
4. 80 at $2.26 each, delivered at Ottawa; 16 at $2.25 each, delivered at Montreal.

FARM IMMIGRANTS

Mr. IRVINE:

(1) How many persons classified as farmers, or farm labourers, were admitted to Canada during 1924?
(2) Of the number so admitted, how many actually engaged in agricultural pursuits for a period of: (a) three months; (b) six months; (c) nine months?

Hon. Mr. ROBB:

1. During the calendar year 1924, immigrants classified as farmers and farm labourers, numbered 38,215 adult males, 6,060 adult females, and 6,660 children under fourteen years of age.

2. It is impossible to supply information on this point as to do so would mean the following up of each immigrant regardless of destination in Canada at the end of three, six and nine months.

FOREST PROTECTION

Hon. Mr. STEVENS:

1. Was the sum of $3,000,000 spent by the Dominion government of Canada in forest protection, as stated by the Minister of Interior to the Forestry Conservation Association in Montreal on the 24th instant?
2. If so, out of what appropriation was the said $3,000,000 expended?
3. How was the said $3,000,000 distributed and to what services?
4. What amount was spent in each of the provinces of Canada out of the said $3,000,000?

Hon. Mr. STEWART:

1. The Minister of the Interior made no speech in Montreal on Tuesday, March 24th.
2. Answered by No. 1.
3. Answered by No. 1.
4. Answered by No. 1.

PAYMENTS TO W. T. R. PRESTON

Hon. Mr. MANION:

Since January 1, 1922, what is the total amount of payments made to or on behalf of W. T. R. Preston for expenses, allowances or otherwise, in addition to the moneys paid to him as answered to my question in Hansard, number thirty-five?

Hon. Mr. COPP:

Department of Labour

	Expenses
1922, April 21 to June 17.—Chairman of Board of Conciliation in dispute of Algoma Eastern Railway and its employees	$159.80
July 21 to September 15.—Chairman of Board of Conciliation in dispute of Pere Marquette Railway Company and its shop employees	245.06
August 10 to Sept. 14.—Chairman of Board of Conciliation in dispute of Pere Marquette Railway Company and its steamship clerks, freight handlers, etc	202.16
	$607.02

Department of Trade and Commerce

	Travel and Living Hotel Exp.	Allowance	Sundries	Total
Inquiry re lake grain rates	$1,139 43	$1,905 00	$32 71	$3,077 14
Inquiry re ocean freight rates	864 85	2,390 00	310 23	3,565 08
Total	$2.004 28	$4,295 00	$342 94	$6,642 22

HOMESTEAD INSPECTORS

Mr. EVANS:

1. How many homestead inspectors are there in Manitoba, Saskatchewan and Alberta?
2. What are their names and addresses?
3. What are their respective salaries?

Hon. Mr. STEWART:

1. Manitoba, 5; Saskatchewan, 9; Alberta, 10.

2 and 3.

Manitoba:—

William Lagimodiere, Lorette, $1,800; F. J. Bigg, Winnipeg, $1,800; J. F. Drew, Winnipeg, $1,800; G. L. Speers, Roblin, $1,800; W. J. Mayberry, Ste. Rose, $1,740.

Saskatchewan:—

J. Furnis, Swift Current, $1,800; J. C. de-Balinhard, Yorkton, $1,800; J. A. McDonald, Shaunavon, $1,800; C. E. Barr, Assiniboia, $1,800; A. Smythe, Saskatoon, $1,800; A. E. Mosses, Dodsland, $1,800; S. Taylor, Prince Albert, $1,800; E. H. E. Webb-Bowen, Prince Albert, $1,740; W. Whelan, Prince Albert, $1,740.

Alberta:—

William Tempany, Cochrane, $1,800; R. A. Kembry, Calgary, $1,800; T. J. Cunningham, Edmonton, $1,800; I. S. Doze, Pakan, $1,800; A. McConnachie, Edmonton, $1,800; T. M. Newton, Grand Prairie, $1,800; L. T. Smith, Grand Prairie, $1,620; D. E. Wilcox, Lethbridge, $1,800; H. S. McCowan, Medicine Hat, $1,740; J. E. McMullen, Peace River, $1,800.

Timber Inspectors:—

Manitoba, 2; Saskatchewan, 2; Alberta, 5.

Manitoba:—

J. H. Thompson, Winnipeg, $1,800; W. S. Gordon, Dauphin, $1,800.

Saskatchewan:—

H. Browne, Melfort, $1,800; F. McKenzie, Prince Albert, $1,800.

Alberta:—

J. S. Coombs, Calgary, $1,800; R. S. Wyllie, Edmonton, $1,800; J. A. Merrigan, Edmonton, $1,800; F. W. Neilson, Westlock, $1,800; D. H. Minchin, Edmonton, $1,800.

Grazing Inspectors:—

Manitoba, 0; Saskatchewan, 1; Alberta, 3.

Saskatchewan:—

G. H. Lydiard, Moose Jaw, $1,800.

Alberta:—

Geo. H. Cloakey (Sr. Inspr.), Calgary, $2,280; H. L. Bowyer, Medicine Hat, $1,800; S. Grimwood, High Prairie, $1,680.

All inspectors above mentioned are required to make inspections in connection with homestead, timber or grazing matters, should the occasion arise, where such an arrangement would effect economy, but they are classed as above to indicate the work which forms the bulk of their duties.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GRADING OF BUTTER AND CHEESE

Mr. STEWART (Leeds):

1. When did Federal grading of butter and cheese for export come into effect?
2. What are the names and salaries of the Dominion graders of butter and cheese?
3. What are the standard grades for butter and what determines each grade?
4. What is the recognized difference in price of the several grades?
5. From the time Federal grading went into effect, what quantity of (a) pasteurized, (b) unpasteurized butter was exported each year to the end of 1924?
6. Was the grade stamped on all packages of butter exported and what quantity of each grade was exported in each year?
7. What are the standard grades for cheese and what is the recognized difference in price of the several grades?
8. Has any cheese been exported to Great Britain since Federal grading went into effect without the grade being clearly indicated, and if so, when and what quantity?
9. What quantities of (a) graded and (b) ungraded cheese have been exported from Canada to Great Britain in each of the calendar years 1921, 1922, 1923 and 1924?
10. What quantities of each grade were exported to Great Britain in 1923 and 1924
11. Must the producer of the cheese abide by the decision of the Federal graders as to the grade of his cheese or is there any person or board to whom he can appeal against their classification?

CIVIL SERVICE—TOTAL COST

Mr. GARLAND (Bow River):

What was the total cost of the Civil Service for the year ending March 31st, 1924, in each of the following departments,—Agriculture, Public Archives, Auditor General, Civil Service Commission, Customs and Excise, External Affairs, Finance, Governor General's, Indian Affairs, Insurance, Interior, Justice, Labour, Marine and Fisheries, National Defence (Naval, Militia and Air), Mines, Royal Canadian Mounted Police, Post Office, Privy Council, Public Works, Printing and Stationery, Railways and Canals, Secretary of State, Trade and Commerce, Immigration and Colonization, Soldiers' Civil Re-establishment, Patents and Copyright, Soldier Settlement Board, and Health?

SOLDIER SETTLEMENT BOARD

Mr. IRVINE:

1. What is the annual cost of the Soldier Settlement Board since its inception?

(a) How much was spent on rent of offices, and where are the offices located?

(b) What amount was spent on salaries?

(c) How much did the head office in each province cost?

(d) How much was expended in other ways, as overhead?

2. How many farms have been purchased under the Soldier Settlement Board: (a) by provinces; (b) what

amount was paid per farm; (c) what is the area of each farm in acres?

3. How many farms are occupied under the Board, by provinces?

4. What is the total amount loaned to settlers?

(a) What amount of such loans was expended in permanent improvements?

(b) What amount of such loans was expended in purchasing live stock?

(c) What amounts were loaned by provinces?

(d) What rate of interest was charged?

(e) What was the nature of the securities on which loans were made?

(f) Who issued the currency on these loans?

(g) Who holds the mortgages?

5. What number of farms, by provinces, have been retained, and what is the present economic condition of these farms?

6. What number of farms, by provinces, have been vacated?

(a) What was done with such farms?

(b) What happened to the loans made on such farms?

7. Were all such settlers required to carry all overhead of both purchase and equipment loans?

8. If not, what percentage were they supposed to carry, and who carried the rest?

9. Who determined what advance should be made to settlers under the board?

TORONTO CIVIL SERVICE APPOINTMENTS

Mr. CHURCH:

1. How many non-residents of Toronto have been appointed to positions in the employ of the government in Toronto during each of the past three years in the various government departments?

2. By whom were these appointments made?

Mr. MACKENZIE KING: I would like to direct the attention of your Honour to this question. The government has not any objection to getting this information, but it would involve correspondence with all the departments of the government and considerable research in all the departments before the questions asked could be answered. For that reason I am going to ask that the question pass as an order for return. What I should like to direct the attention of the House to is the expense that will be involved in getting a very small amount of information for the hon. member (Mr. Church), I hope he will find it possible to state more specifically just what information he does want.

Mr. DEPUTY SPEAKER: Passed as an order for return.

UNOPPOSED MOTIONS FOR PAPERS

MILITARY DISTRICT No. 10—COAL INQUIRY

Mr. CHARTERS:

For a copy of the report made to the government, or any minister or officer thereof, by Lieutenant-Colonel Biggar, respecting the report of David Campbell, K.C., on charges recently investigated at Winnipeg.

Hon. ERNEST LAPOINTE (Minister of Justice): I am sorry I cannot agree with this motion being accepted by the House. Lieut.-Col. Biggar, apart from being chief electoral officer is also government counsel. Any report which he may have made in the matter referred to in this motion would be in the nature of a legal opinion and there is litigation now before the court pending in this matter. It is not the practice of the Department of Justice to give legal opinions, especially when a case is pending in court, and it would not be fair for the government to be asked to do so in this case.

Mr. STEVENS: I submit that the motion might stand.

Mr. LAPOINTE: We cannot accept it.

Mr. DEPUTY SPEAKER: Motion dropped.

Hon. Mr. STEVENS:

For a copy of correspondence passing between the Department of National Defence or the Department of Justice and the Canadian Coal Sales Company, Limited, in the years 1924 and 1925, and also, for a copy of all charges made, in relation to the sale of coal or otherwise, affecting Militia officers at Winnipeg in the said years with the name of the party making such charges, and also, for a copy of the reports of General Ketchen, with respect to said charges.

BIG BEACH POST OFFICE

Mr. JONES:

For a copy of all correspondence and other papers relating to the change of the post office at Big Beach, Cape Breton County, Nova Scotia.

QUEBEC HARBOUR COMMISSION—CONTRA ACCOUNTS

Hon. Mr. STEVENS:

For a return showing, in detail, "Contra accounts against the Dominion government for services rendered" by the Quebec Board of Harbour Commissioners, and referred to in answer to questions on page 1317 of Hansard.

CAPE BRETON MINE WORKERS

Hon. EDMUND BRISTOL (for Mr. Arthurs):

For a copy of all letters, telegrams, papers and other documents between the Government of Canada and the mine workers of Cape Breton, or received by the government on their behalf, and between the Government of Canada and the Government of Nova Scotia, respecting the condition of the mine workers, and between the Government of Canada and any towns or municipalities in Cape Breton, respecting the conditions of the mine workers and the necessity for relief owing to the labour troubles in that district.

Right Hon. Mr. MACKENZIE KING: I have no objection to the motion if the hon. member will specify the time for which this correspondence is desired. Last session a return was brought down of correspondence up to the end, I think, of that time. Unless the present motion is limited in the matter of time it will involve an enormous return

because the correspondence in regard to this matter goes back two or three years.

Right Hon. Mr. MEIGHEN: I will take the responsibility of saying that, provided what has been asked for has already been brought down to the end of last session or to whatever time the return covers, the present motion may be considered as a request for a continuation of that correspondence.

Mr. MACKENZIE KING: That is satisfactory.

Mr. DEPUTY SPEAKER: Is it the pleasure of the House that the motion as amended be carried?

Mr. MEIGHEN: There is no need for an amendment. The motion can be passed in accordance with the understanding arrived at.

Mr. DEPUTY SPEAKER: That will cover everything since the last return?

Mr. MEIGHEN: Provided the last return covers all that is asked for up to that time.

Motion agreed to.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. D. M. KENNEDY (West Edmonton): I should like to read a telegram I received this morning and to base a question upon it:

A mass meeting of the ratepayers of the rural municipalities of Bear Lake and Grande Prairie and town of Grande Prairie, Village of Clairmont held here to-day resolved as follows: Whereas a feeling of distrust pervades the Peace River county that forces are at work to delay immediate coast connection. This meeting accepts in good faith the promises of coast outlet made by Premier King on his western tour and in the Speech from the Throne also by Hon. George P. Graham that if the railway heads failed the government would come to our rescue. We therefore call upon the government of Canada to introduce legislation at the present session of parliament to fulfil these promises.

D. W. PATTERSON, Chairman.

Has the Minister of Railways and Canals (Mr. Graham) any comment to make in regard to this matter?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): As far as I am concerned, I have no comment to make.

SOLDIER SETTLEMENT LANDS

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): On the 25th of this month I put the following question to the Acting Minister of Finance (Mr. Robb):

When may the House expect legislation regarding the land settlement question—revaluation of soldiers' lands?

The answer I received at that time was:

I shall look into the question of my hon. friend. As the Prime Minister announced the other day, we shall be proceeding with the budget from day to day. We hope to have this legislation, if any, down in ample time for consideration of the House.

May I ask the Acting Minister of Finance if the government has yet decided to introduce such legislation.

Hon. J. A. ROBB (Acting Minister of Finance): I have nothing to add to the answer just quoted by my hon. friend.

SEVEN-POWER TREATY

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Has Canada as a member of the League of Nations entered any protest against the Seven-Power treaty?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government has not seen the treaty to which my hon. friend has referred, and therefore has not taken any action.

FISHING LICENSES TO FOREIGNERS

On the Orders of the Day:

Mr. W. G. McQUARRIE (New Westminster): On the 25th March last I put six questions to the hon. Minister of Marine and Fisheries (Mr. Cardin) regarding fishing licenses to foreigners. The hon. minister gave answers to only three of these questions and nothing was said about the other three, and I had no information as to whether the other three were going to be answered later on or not.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think the Minister of Marine and Fisheries (Mr. Cardin) endeavoured to give the hon. member the information he was seeking, and if the last three questions are not answered by the first three, I shall ask my hon. colleague to furnish the hon. member with the desired information.

CANADA GRAIN ACT AMENDMENT

On the Orders of the Day:

Mr. ROBERT GARDINER (Medicine Hat): Will the minister tell us whether the amendments to the Canada Grain Act are completed, and when may we expect to have them presented to the House?

Hon. T. A. LOW (Minister of Trade and Commerce): A rough draft of the amendments has been prepared, and it is the intention of the government to lay a copy of these amendments on the table. It is not the

intention of the government to proceed with these amendments this year, in order that all members of the House may have ample opportunity to study the bill and also to study the report of the Royal Grain Commission.

ALLEGED FRUIT COMBINE

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): Will the hon. Minister of Labour (Mr. Murdock) or the Solicitor General (Mr. McMurray) inform the House if the government is contemplating any action in relation to the fruit combine referred to in the report from the commission or whether action will be left to the provinces?

Hon. JAMES MURDOCK (Minister of Labour): There does not at the moment appear to be any further action that this government could take. The federal government, as provided in section 25 of the Combines Investigation Act, submitted the interim report that was laid on the table of the House to the attorneys general of the four western provinces and we assume that they will take such action as appears to be desirable and necessary. As provided in the act, if within three months action is not taken and further representations are then made to us, consideration will be given by the government to such further action if any as should be taken.

Mr. LADNER: I want to find out from the minister if any of the provinces intimated the course of action which they intended to take with respect to the fruit combine, following upon this report.

Mr. MURDOCK: The Attorney General of British Columbia by correspondence indicated that he has taken a marked interest in the matter, and I presume he is proceeding in the proper way.

RURAL CREDITS—REPORT OF DR. TORY

On the Orders of the Day:

Mr. W. J. WARD (Dauphin): Will the government inform the House if they have taken any action with regard to the Tory report? Is it the intention of the government to bring in independent legislation bearing on that report?

Hon. J. A. ROBB (Acting Minister of Finance): I thought my hon. friend was referring to another class of Tories. I have not yet received that report, although it may be in the office. Dr. Tory told me on Saturday that he hoped to file it with me to-day.

APPOINTMENTS—D.S.C.R. AND SOLDIER SETTLEMENT

On the Orders of the Day:

Mr. H. E. SPENCER (Battle River): I desire to refer to answers given to question No. 7 by the Secretary of State (Mr. Copp). My hon. friend answered the first question but did not give an answer to the second.

Mr. MACDONALD (Pictou): Oh yes, he did.

Mr. SPENCER: Was it an oversight, or does he intend to reply at a later date?

Hon. A. B. COPP (Secretary of State): My hon. friend says I did not answer No. 2. There was no order in council passed in June, 1922, exempting twelve thousand positions from the Civil Service Act.

OCEAN SHIPPING RATES

APPOINTMENT OF SPECIAL COMMITTEE

On the Orders of the Day:

Mr. O. R. GOULD (Assiniboia): Would the Prime Minister intimate to the House when he will make the motion notice of which was given last Wednesday for the appointment of a committee to inquire into ocean rates?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I expect to make it tomorrow.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. W. A. BLACK (Halifax): A short time ago I referred to the situation of the miners and steel workers in Cape Breton, and I ask the Prime Minister (Mr. Mackenzie King) if he has had any communication at all from the Premier of Nova Scotia in reference to the matter; and if not, in view of the continuance of distress in that region, would he not reconsider his decision and grant a measure of relief to the suffering families, women and children, in that district?

Some hon. MEMBERS: Order, order.

Mr. DEPUTY SPEAKER: Order. The hon. member has a right to ask a question, but not to make a statement.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have not received any communication from the Premier of Nova Scotia, and the position of the government with respect to relief remains the same as I stated to the House the last time I referred to the subject.

FEDERAL ELECTION

On the Orders of the Day:

Mr. ROBERT FORKE (Brandon): I have a rather interesting despatch in my hand sent by the Canadian Press to a local newspaper, and dated in Winnipeg. It states that a federal election is anticipated some time during the present year; in a letter to the Manitoba Liberal Association, written by E. J. McMurray, Solicitor General, it is suggested that the proper time for an election would be after the prorogation of the present session. Has the government any further information to give the House on that point?

Mr. GRAHAM: My hon. friend has just told them to keep their powder dry.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government have not decided upon the date of an election, and, so far as I am aware, the matter has not been considered.

THE BUDGET

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

The House resumed from Friday, March 27, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Hon. H. H. STEVENS (Vancouver-Centre): The other afternoon the hon. member for Brandon (Mr. Forke) in his address in connection with this debate gave expression to these words:

> That the financial statement given to the House does not reflect exactly and faithfully the conditions of the country at the present time, nor our financial standing.

With these words I entirely agree, in so far as they reflect my view in connection with this budget. In making this statement the hon. member intimated that perhaps his failure to interpret and understand properly the financial statement as presented by the Acting Finance minister (Mr. Robb) was attributable to his lack of expert knowledge of accountancy. Let me assure my hon. friend that such is not the case. I am prepared to assert, with a good deal of positiveness, that the more expert the accountant is who will examine into this statement as presented to the House, the more convinced he will be that it does not accurately reflect the condition of the country or correctly present the existing state of public finances. As a matter of fact, it was a presentation that was hopeless in its confusion and baffling in its inaccuracies. This budget I cannot conceive as being other than deliberately designed to deceive the people as to the correct condition of affairs. It is a subtle expedient designed to shield a guilty and moribund government from the just indignation of an awakening public opinion.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: The Minister of Agriculture (Mr. Motherwell) may burlesque these things when he has an opportunity, but I refuse to allow him to do so now. The public is demanding a showdown in connection with the financial affairs of this country. The government, through the lips of the Prime Minister, as chief spokesman, who has been passing through this country during the last year or two, has been promising an approximation of free trade to one section and has been assuring another section that this government is anxious to protect and care for industry. In despair, the government, realizing that these chickens are coming home to roost, realizing that in these two different sections where there is a conflict of opinion as to what the fiscal policy of this country should be, the people are demanding delivery of these promises, the carrying out of these pledges—

Mr. MACKENZIE KING: Two or three times my hon. friend has made these statements about different representations having been made in different parts of the country. Each time I have asked him to place on record the different representations. Until he is able to do that, I wish he would not repeat a statement which he knows not to be correct.

Mr. STEVENS: On the contrary, there is nothing in the way of public utterances that I am more certain of than the accuracy of the statement made, and that is, that in all of the Prime Minister's trips through western Canada, the key-note of all his addresses was that there was no difference between his policy and the policy of my hon. friends to my left, the policy of the Progressive party. That has been his assurance. He pleaded with them: let us join together; we are in the same boat. Will he for a moment suggest that, in his speech in York recently, he did not assure the people of the east that there was to be no more progress towards free trade?

Mr. MACKENZIE KING: Let my hon. friend bring down the statement of which he complains.

Mr. STEVENS: Had I thought my right hon. friend would question my statement, I would have brought plenty of evidence in support of it. I have none under my hand at the moment, but I have no doubt of the accuracy of what I have stated. What are the impressions sought to be conveyed by this budget? The Acting Minister of Finance (Mr. Robb) first assured the House that these accounts had been verified by two outside eminent chartered accountants. It is true he limited that verification of fact to certain things, but the impression that went forth to the public was that these accounts of the Dominion had been submitted to and approved by two outside, eminent chartered accountants. The next impression conveyed was that there was a surplus of $24,000,000, and some of my hon. friend's supporters are already claiming that such was the surplus. The third was that taxation had been reduced by $52,000,000, and the chief Liberal organ in the country the Globe, across the front page of its paper, the next day assured the taxpayers that there had been placed in their pockets by the government the enormous sum of $52,000,000. As regards the railways, there is an ominous silence, and I pause here to ask: Why, three months after the close of the railway fiscal year, we could not have had some accurate, definite, clear statement of the condition of our great railway investment. The next impression conveyed by the minister was that there was a favourable trade balance. Briefly, these statements summarize the impressions sought to be conveyed by the minister in his speech, and I purpose examining them at some length, step by step.

In the first place, let me examine the certificate of character which the minister presented to the House from the two eminent chartered accountants. I ask hon. members to listen to this certificate and to judge of its value. Personally, I assert before I read it that it is a perfectly meaningless and useless certificate. Will hon. members follow me for a moment while I read it? I shall not read what the minister said preceding it unless someone challenges me. I have the statement from the public accounts so that there will be no mistake about it. It is attached to the balance sheet of the Dominion of Canada for the last fiscal year ended March 31, 1924. This is what the accountants said:

> We have examined the balance sheet of the Dominion of Canada as at March 31, 1924, and we certify that the balance sheet conforms to the balance sheets of previous years in not including in the net debt of the Dominion, issues of the Canadian National Railway company and companies included in its system, which carry the guarantee of the Dominion of Canada. Such guaranteed issues are shown year by year as indirect liabilities.
>
> GEO. EDWARDS,
> Of the firm of Edwards, Morgan & Co.
> W. GARTH THOMSON,
> Of the firm of Peat, Marwick, Mitchell & Co.
> Ottawa, Canada, 27th January, 1925.

An absolutely meaningless, useless certificate —perfectly true!

Mr. ROBB: My hon. friend says now that it is perfectly true. I am glad to have that admission from a leader of the Tory party, because the only exception taken to our statement of last year was that it did not conform.

Mr. STEVENS: I will deal with that in just a moment. I will undertake to take any balance sheet the minister likes to present to me, at the same time giving me the other balance sheets preceding it, and in half an hour make the necessary comparisons and give a certificate of that kind. It is an absolutely worthless certificate for the purpose of assuring the public that the accounts are properly balanced. Let me give the statement in connection with the balance sheet of the Canadian Pacific Railway Company, signed by Price, Waterhouse & Company:

> We have examined the books and records of the Canadian Pacific Railway Company for the year ending December 31, 1924, and having compared the annexed balance sheet and income account herewith, we certify that, in our opinion, the balance sheet is properly drawn up so as to show the true financial position of the company at that date, and that the relative income account of the year is correct.

There is a certificate that would be of some value. It shows that the auditors have compared that balance sheet with the records and the income account, and asserts that the balance sheet reflects the true and proper condition of the company's affairs. That is a valuable certificate. The reason why the Acting Minister of Finance interjected these observations a moment ago was this: He wanted to suggest that this was merely in reply to a criticism of my leader that certain loans to the railway company now issued to the public and guaranteed by the government had previously been advanced out of the consolidated fund of Canada. That is a perfectly true statement, as the minister himself demonstrated further on in his speech on that occasion. In the year 1922-23 the cash advances amounted to $80,000,000 none of which were by way of guaranteed loans. The second year under my hon. friends opposite —1923-24—the cash advances totalled $24,000,000 and the guaranteed loans were $50,000,000. The next year the cash advanced had been re-

duced to $18,000,000 and the guaranteed loans to $46,000,000. And that is what we quarrel with. But what I want now to bring to the attention of the House is that the minister used this certificate with the idea of impressing upon the country, as has been quoted throughout the press, that independent auditors have examined the public accounts and verified them. I submit that no such verification can be found. I turn to the question now of the public debt. The minister in one part of his speech claimed a reduction in the debt of $35,000,000. It is true that referred to the previous year; it was so stated in the minister's speech and re-echoed in some sections where the reduction was accepted. The minister proceeded to show however that there was this year an estimated reduction of about $1,800,000. Let me examine the figures in connection with the public debt; and just here I would observe how exceedingly difficult it is with the material given to private members to form any accurate and proper opinion on this subject. Indeed, it is almost an impossibility, for I will defy any chartered accountant who is not in intimate touch with all the details of these accounts that appear in the Public Accounts to take up those accounts and, even after several days of concentrated examination, to tell the House exactly where the country stands. No man can do it, and that is what we complain of. What we ask is that the government bring down to the House a statement that will unfold to us precisely the financial condition of the country.

I shall now examine the public debt. And the question naturally presents itself, does the budget reveal to the country a fair estimate of our obligations? I say it does not. In the first place, it gives no idea of what our railway commitments are; and indeed you cannot get from the government any accurate information on that point. The minister however computes an interest of some $4,000,000 on some old past due debts and declares, to use his own words, that this sum is "now available to be applied on account of loans in connection with our railways." Mr. Speaker, what sort of moral obloquy is this? How can we compute interest on past due debts, debts that are in default, add that interest to the principal of the debts, and then say that we have that much that we can apply to live loans and obligations? Here is a business man, let us say, going steadily behind in his business and unable to meet his fixed charges. He is insolvent, and instead of facing the facts frankly and asking himself how he may reduce his expenditures and costs of operation in order to meet those fixed charges, he turns over the pages of his books and digs up a bundle of old accounts, on which he figures the interest over a period of years, entering those accounts in his profit and loss as earnings for the year. He does all that and then declares that he has met his fixed charges. And that is just what the minister did. It is true that the old debts in this case do not cover all the fixed charges, but the minister certainly did figure the interest on past due debts, entered them in his books as earnings for the year, and placed the total as an offset to obligations that he has to meet. How would the House describe a man who in private business did a thing like that in meeting his creditors and bankers and those who were lending him money? We would describe such a man as a cunning, unscrupulous rogue; there is no question about that. Yet that is the process followed by this government to the extent of some $4,000,000.

Now as to the debt. The net debt on March 31, 1924, as shown in the public accounts was, $2,417,000,000, and the minister gives an increase this year of $13,700,000 odd, making a total at the present time of $2,431,000,000. I would ask the government to compare the net debt now with the net debt of three years ago, March 31, 1922, and then to tell me what they have done with funds that came into their control and that should have been applied to the reduction of the debt. I find that on March 31, 1922, the net debt was $2,422,000,000, so that there has been an increase of $9,480,000 over a period of three years. I want hon. gentlemen to keep these figures roughly in mind and to follow me for a moment on some other points, after which I shall return to these amounts I have given. Now, in the first place, these figures wholly disregard our guarantee of railway bonds; they do not take them into consideration at all. The government keeps the guarantee of railway bonds out of sight as if we were not in any way responsible for them. The last four budgets presented by hon. gentlemen opposite have disclosed certain surpluses which the government has claimed. And I would impress on hon. members this fact, that the measure of confidence we can put in a public statement is simply to accept the figures given us and see where they lead. The surpluses which have been claimed by the government in the past four years as evidences of good administration are, as taken from their budget speeches, these: May 23, 1922, $33,000,000—I am giving round numbers; May

11, 1923, $61,000,000; April 10, 1924, $67,000,000; March 24, 1925, $24,000,000; or a total of $187,000,000. That is an accumulation of surplus revenue over ordinary expenditures for which the government has claimed credit during the last three years. From the Imperial government we have received the sum of $122,682,000. We received that during three years from Great Britain in the form of unsettled war obligations, and as this sum has been paid to this government the obligations involved have been wiped out. That amount I add to the cash surpluses claimed, the total being $309,000,000. Now these two sums are of such a character that they should have been applied under good government to the reduction of the public debt. That I think is a fair assumption. Now, take this sum of $309,000,000 and deduct it from the public debt as it stood at March 31, 1922, and it leaves a balance of $2,112,304,000. That is what the net debt should be to-day had the government applied to its reduction the alleged surpluses which they claimed, along with this sum received from the British government. But instead of that net debt, it is $2,431,000,000. In other words, had the so-called surpluses together with this payment from the British government been used for the reduction of the debt, the debt should have been some $300,000,000 less.

Now I turn to the railway situation. We have asked the government from time to time for information, and they have given us very little. I have asked the government why it is that three months after the close of the fiscal year of the National Railways, December 31, 1924, we could not have before us at least an outline statement of their financial condition. Now I find in the public accounts—and these by the way are not complete—that loans have been made by the government to the National Railways up to March 31, 1924, of $607,000,000, and by way of indirect loans, or in the form of guarantee on bonds, the government has advanced $694,000,000; or a total of $1,300,000,000 has been invested by the country in our National Railways within a comparatively few years. This huge total does not include unguaranteed advances by the public; I am including only the cash advances in the way of direct loans and our guarantee of bonds. Including operating deficit, interest and so on, the total mounts to $1,800,000,000. I am not asking the House to accept these latter figures because it is very difficult to arrive at them; but the first figures of $1,300,000,000 I took out of the public accounts and there should be no doubt as to their accuracy. I ask the government, Why not tell the House frankly what our obligations are, what we owe to the public in the way of national debt and in the way of guarantee of these railway loans? And let me at this point read what the Minister of Finance (Mr. Fielding) had to say. I wish he had been in his seat, but unfortunately he is prevented by illness from attending the House this session. I am almost certain that had be been here he would have presented a financial statement more approximating the truth than the one before us. In saying this I am not reflecting on the personal intentions of my hon. friend the Acting Minister of Finance (Mr. Robb), for he is simply the vehicle through which the government is presenting this statement, and I do not think he is very proud of it or has much sympathy with it. In 1922 Mr. Fielding said—and, Mr. Speaker, you will pardon me for using the right hon. gentleman's name, but I do so in order to make the proper distinction between him and the acting minister—at page 2106 of Hansard for that year:

> We treat these railway moneys as loans. Perhaps there can be some just objection to that. The Grand Trunk and the Canadian Northern are now virtually owned by the Dominion of Canada, and when we advance money to them we are, in a sense, lending money to ourselves.

In that he states what is perfectly right. Then he goes on:

> As a matter of fact, the government, to-day are both makers and endorsers of those securities.

That is the fact, we are makers and endorsers of every one of these bills upon which is the imprimatur of the government of Canada. To the extent of over $600,000,000 the National Railway loans should be shown as part of the net debt of this country. They are not so shown, and we are not treating them as a part of our national obligations.

4 p.m.

On one or two occasions the hon. member for Brandon (Mr. Forke) the leader of the Progressive party, has suggested that we should write down the capital cost of our National Railways. I have not any criticism of that suggestion, but I would point out that its adoption would not alter our position one iota. You could write the capital account of the National Railways down to one dollar, and it would not alter the position of the Dominion in its obligation to the public to the extent of one cent. I agree with my hon. friend that it would be far better for us to know just what this railway system is worth. That is prudent and wise for our own satisfaction. But let us get this clear, our obligations to the public to-day are the full value of the net debt as disclosed—and, by

the way, there are deductions from the net debt that should not be made in the public accounts, but it would involve too much detail for me to go into that now. But let us take the net debt as disclosed—to that must be added our guarantee on bonds amounting to over $600,000,000, and further, our moral obligation to meet public claims against our national railways which we have not guaranteed. It is true that against those obligations we have the assets of the system, but we do not know their value. Let me refer to the statement of last year of the National Railways, and I do so for the purpose of illustration. It discloses fixed assets of $1,800,000,000, but I call the attention of the House to this fact, that the depreciation provided for is contained in three items, one of two and a half million dollars, another of three and a half million dollars and a third of half a million dollars—about seven million dollars. If that process of depreciation has been followed for the past year, then the total of $1,800,000,000 does not correctly represent in any sense the value of your assets.

Now I turn to taxation. The government claim, and they have encouraged their followers to claim in the House and out of it, that there has been a reduction in taxation of $52,000,000.

Mr. CALDWELL: Before the hon. gentleman leaves the railway situation would he give us the direct loans in cash and the indirect loans on guarantee of bonds by years?

Mr. STEVENS: My hon. friend has put to me a perfectly proper question, and he will find the details set out in the voluminous schedules to the public accounts. I should rather not, however, pause now for it would take probably half an hour to read these very long, complicated and technical schedules, and they would only confuse the issue. The government's claim of $52,000,000 reduction in taxation went out as the main feature of the budget. I admit, Mr. Speaker, that I think a great many people are overtaking that hoax, for if ever there was a hoax perpetrated upon a long-suffering public it is that claim. It is absolutely false. What it amounts to is that the employee, the man who is fortunate enough to have a job to-day, is being called upon to pay taxes, and the man who is unemployed and unable to purchase is not thereby contributing any share of the burden.

Mr. BALDWIN: Has the hon. member any confidence in chartered accountants?

Mr. STEVENS: I do not know whether my hon. friend was in his seat when I opened my remarks. If he was not, and he will do me the honour of reading Hansard to-morrow, he will find I fully explained that point.

Mr. BALDWIN: Thank you.

Mr. STEVENS: I have great confidence in chartered accountants, and I have such confidence in the two chartered accountants referred to that I am certain they would never give a certificate of approval to the accounts of this government as presented to the House. Now, what a mockery it is to say to an unemployed man with five children, "It is true, my friend, you cannot buy nourishing food for your children; it is true you cannot buy boots to put on your children's feet or clothing for their backs, but we have reduced taxation; we have put into your pocket $52,000,000. Why, we are a friend of yours. We have actually added to your resources as taxpayers $52,000,000." I say, Mr. Speaker, the thing is a mockery. What does this $52,000,000 consist of? What is the interpretation of it? In the first place I ask, have taxes been reduced? Is there one item of reduction in taxation? Has the sales tax been reduced? Has this onerous tax upon business, not upon individual incomes, but upon business in Canada, been reduced? Has the stamp tax, or the receipt tax, or any other tax been reduced? Not a nickel, not one cent. Not only have they not been reduced, but as a matter of fact business is being strangled, thousands are out of work, and 2,200 factories, large and small, in the last three years, with a magnitude of liabilities of $100,000,000, have gone to the wall. That is the condition.

Now let me examine this tax question for a moment. I have under my hand figures from the Customs and Excise department, and I find this; that in excise taxes, that is chiefly the sales tax, with a little from the stamp tax, but it does not include the taxes on liquor, which are kept separate—we will keep our mind on the sales tax, because this excise tax is chiefly made up of that—in 1923-1924 there was a collection of $115,000,000 of sales tax. This year there was a collection of $78,000,000, or a reduction of $37,000,000 and by the way that is in eleven months only. The minister made an estimate for the year, but I have given the actual figures for the eleven months ending with February and they show a reduction of $37,000,000. If this is interpreted in the form of purchases, it means that there has been a falling off in purchases in Canada of $700,000,000. That is what it means. It simply means that business is not

being done. It does not matter what the government says to the public; it does not matter one iota how much they rebuke us for constantly calling attention to the condition of business; the stubborn fact is that there must have been a falling off in purchasing of $700,000,000. That is the interpretation of this saving of $52,000,000.

Now let me pass on to the income tax, of which I have particulars before me. I am not going to spend much time on it, but I want to show how we by our form and method of income taxation are militating against Canadian business men as compared with those against whom they are competing. I drew the attention of the House to this subject in the debate on the Address from the Throne, and I now have figures which I will give briefly because they are very illuminating. I will take the income tax of an individual doing business in Vancouver as against a man doing business in Seattle, and these figures are for personal income, not business income. On an income of $5,000 the Canadian would pay to the Dominion $126, and to British Columbia $95, or a total of $221. The man in Seattle would pay a tax of $50, or less than one-quarter of what his competitor in Vancouver has to pay. I bring it down to these intimate details so that we may appreciate more directly the onerous nature of this tax. I could go on down the list and give the income tax on incomes of $5,000, $6,000, $7,000, $8,000, $9,000, $10,000, $15,000, $20,000 and $25,000, but I shall take only a few to illustrate my point. The man in Vancouver or Canada with a salary of $7,000 pays in income tax a total of $493; the man in Seattle pays $100, or less than one-quarter, almost one-fifth. The man in Vancouver with an income of $10,000 pays $1,084; the man in Seattle pays $220. The point I want to make is this: We in Canada cannot expect to go on prospering and expanding in our business operations with the handicap of a tax of this kind. It is the application of this tax which I am asking the government to consider.

A moment ago I pointed out that a large number of firms had failed in business in Canada. On Friday last my hon. friend from Dufferin (Mr. Woods) made a statement in the House to which I wish to refer. I do not know whether he is in his seat; I think not, but he made this statement—Hansard page 1632:

> I want to refer to a manufacturing concern in my own county. It is a woollen manufacturing industry and the only one we have in the county of Dufferin. That company to-day is running night and day shifts.
>
> Mr. Caldwell: I thought the woollen mills were all shut down last year.
>
> [Mr. Stevens.]
>
> Mr. Woods: There were rumours to that effect. However the one in the county of Dufferin did not shut down but is running night and day shifts at the present time.

I thought that was strange, and I sought immediate and definite information. I have in my hand copies of wires received from Dods and Company, the firm referred to, in regard to this statement, and I shall read them, not because I want to embarrass the hon. member for Dufferin, but because I think it is well for us to face the facts. This is from the secretary of the association:

> Dods Knitting authorize me to inform you plant has not been operating night and day; that they are being forced to go on part time immediately. He is wiring explaining more fully.

Then I have this from Dods Knitting Company themselves:

> Dods Knitting Company are not working day and night and are arranging to close to part time.

Mr. HALBERT: Where did the hon. member say that was located?

Mr. STEVENS: In Orangeville, and the telegram is dated from there. I am not reading these telegrams merely to contradict, but what I do want to impress upon the House is this, that this falling off in the sales tax ought to be a warning to the House that business in Canada is not as it ought to be. To say that this reduction is a lowering of the burden of taxation upon the taxpayer is but a mockery to the taxpayer. The point we have to keep in mind is this, that when a man is out of work and on the streets he cannot buy goods, he cannot pay taxes, and he does not pay taxes. If he does not buy goods he pays no sales tax, and a reduction in sales tax, and such like, of $37,000,000 simply spells a falling off in business of some $700,000,000.

Mr. FORKE: Could the hon. member give any explanation why the income tax collected has been a little over $2,000,000 more than the preceding year, under the existing state of business?

Mr. STEVENS: That is quite simple of explanation, and I will tell my hon. friend exactly why it is. It is a very apt question he has asked. When we come to the end of a year and this applies with peculiar significance to the last session preceding an election—and I offer that merely as an indication of what we may look for in the future—it is the habit of any government to bring in all the resources it can, and show the highest realization on those resources, and at the same time to reduce their outstanding liabili-

ties all they can in order to make the best showing possible. In other words, towards the close of a year, a business firm will seek to collect in its debts, and put on a little pressure in collecting them, and probably take an inventory and reduce its stock as much as possible in order to make a good showing in its annual statement for the year. Now what is the government doing this year? Business men all over the country know this, and they are reflecting upon it, that this government has during the past six months put on onerous pressure for the collection of income tax, a pressure that in many cases is embarrassing the person who is called upon to pay. We all have to pay, yes; but here is a situation that always arises in connection with the income tax, and nobody knows it better than my hon. friend the Acting Minister of Finance (Mr. Robb). Very often the income tax is not assessed—and this is the iniquity of the thing—for a year after it is incurred. Often the assessment is delayed, not by the government, but by the machinery of government, and then suddenly the man is faced, at an inopportune moment with a tax of $5,000 or $10,000, or in the case of a large business it may run up into the hundreds of thousands, and he has not the money in hand or in the bank to immediately pay the tax. The government have been putting on pressure recently in collecting the income tax in order to make a showing, in order to offset what they knew as far back as last October would be a fearfully alarming financial situation.

Mr. GRAHAM: Does my hon. friend think that putting the screws to a man in order to make him pay his account would render him favourable to the government?

Mr. STEVENS: I do not, but I want to say this to the minister: There is a wave of indignation going over this country now that will be reflected in a very short time upon the heads of the government. This was a desperate effort on the part of desperate men to overcome a mighty awkward position.

Mr. BEAUBIEN: Have other governments done that before going to the country?

Mr. STEVENS: I will not say that, but I will repeat what I said a moment ago, that it is customary before a government goes to the country to make the best showing possible.

Mr. MANION: Very like what the Ontario Farmer government did.

Mr. BEAUBIEN: What I want to know is whether all previous governments have done the same, or is the practice confined to this government?

Mr. STEVENS: As it happens we are looking the present government in the eye just now.

Mr. SPENCER: May I ask the hon. member if he can inform the House whether this government has taken any note in lieu of taxes?

Mr. STEVENS: I did not catch my hon. friend's question.

Mr. SPENCER: I should like to ask my hon. friend if he knows whether this government has taken any note in lieu of taxes?

Mr. STEVENS: I am glad my hon. friend mentions that; it will answer the question of my hon friend to the left (Mr. Beaubien). What we did prior to 1921 was this: Here was a firm known to be in an embarrassed condition, with charges amounting to $500,000 against them in the way of income tax and business profits tax. The hon. member for West York (Sir Henry Drayton) then Minister of Finance, or his predecessor, accepted a note. Why? For this reason: He could have pushed that business to the wall, shut it up and sold out its assets and collected what was due, because he had a prior charge. He said "No, we will allow them time to pay." That is somewhat different to what is going on at the present time. We were charged by no less an authority than the Prime Minister himself, and members of the present government, with having deliberately sought to defraud the people. That may not have been the Prime Minister's actual words, but that was the inference given to the country, and I believe it contributed very largely to the defeat of the then government. We were charged with having sought to defraud the taxpayer of his just due by accepting notes in lieu of payment. What has the present government done? I want to know how long it took them to collect that note that they told us should have been paid and the payment of which they said should have been forced? I venture to say it was not paid for two years, and I do not know whether it has been paid yet or not. Why did they not on going into office at once collect that money? —because it was a demand note it was not a time note. Why did they not collect it? Because the judgment of the Prime Minister, the judgment of the Minister of Railways, the judgment of the Acting Minister of Finance, and the judgment of the Minister of Justice was that it would be unwise to force that company to the wall in order to collect that tax,

and therefore by their action they put the stamp of approval on the policy of their predecessors. That is an answer to my hon. friend's (Mr. Beaubien) question as to the policy and the action of the previous government.

Now I turn to the subject of Trade and Commerce and come to the claim of the Acting Minister of Finance that the exports showed a favourable balance over imports of $263,000,000. First, I want to ask the Acting Minister of Finance why he did not bring down particulars of the Australian treaty in his budget? I am going to venture a guess as to why he did not and it will be interesting, I think, to my hon. friends to my left. If that Australian treaty had been brought down and had showed some increases in the tariff—which we asked for and which we were anxious to see in it; we approve of it—it might have antagonized hon. members to my left. So the government said "No. Let us separate these matters. Let us confuse the Progressives. We will deal with the dumping clause in the budget and the Progressives will not be unduly alarmed. And we will bring down the Australian treaty separately. Although the Progressives may oppose it the Conservatives will support it, and so we will escape the vote of the combined opposition." But the budget ought to have contained the provisions of the Australian treaty, which treaty was concluded some months ago.

Now let me turn to an examination of the trade situation. The Acting Minister of Finance claims that there is a favourable balance of trade of $263,000,000. This sounds very well but I want to study the claim for a moment. I contend that we ought to look at our national business just as strictly as a private firm will scrutinize its business. What are the facts? In the first place I ask, is this favourable balance an actual balance, and what does it mean to Canada? I intend to examine it at some length in order to get a proper appreciation of the value of this supposed excess of exports over imports. We must remember that Canada is a very heavy borrowing country. We have borrowed from the United States upwards of two billion and a half dollars; we have borrowed from Great Britain upwards of two billion and a half dollars. The best authorities in the world fix the borrowings in each case at a higher sum than two and a half billion dollars. In addition we have borrowed from France and from one or two other countries as well, but I am leaving the smaller borrowings out and wish to focus attention for the moment on the large borrowings. Now when a nation borrows what is the import of it to that country? How is interest on the borrowing paid? It is paid in two ways: First it is paid by exports; secondly if the amount is not covered by exports then it is added to the debt of the country. Now here are some figures that are somewhat interesting. Our accounts with the United States and with Great Britain show about as follows: The Acting Minister of Finance told the House that we had $263,000,000 to the good, and hon. members all around him thumped their desks in ecstasy. But what is the actual situation? Here are the figures which strikingly illustrate it: The interest to the United States on investments in Canada, amounting to $2,500,000,000, at the rate of 6 per cent is $150,000,000 a year. A great many of these investments carry a much higher rate of interest. There are industrials paying 10 or 12 per cent; some of them pay very much higher than six and very few of them less than six; some of them pay 5½ per cent. I think our Dominion loans amount to only about $700,000,000, carrying about 5 per cent, so that I am well within the mark in my interest calculations. We owe the United States at the end of each year $150,000,000 of interest and we owed her last year on our trade transactions $159,000,000 or a total of $309,000,000 that we were to the bad in our transactions with the United States for last year. How was that paid? It was paid by simply increasing the mortgage hold of the United States on Canada. Whether it was by industrials or by financial concerns it does not matter; it means that the people of the United States have that much more hold upon Canada. In other words it reflects exactly what has happened in the last ten years—I think I should say more correctly twelve or fourteen years—our borrowings from the United States, or our indebtedness to that country, have increased from less than 1,000,000,000 to $2,500,000,000. So we went behind in our dealings with the United States last year to the extent of $309,000,000. Our account with Great Britain stands as follows: Great Britain owed us on trade $242,900,000 but we owed her $150,000,000 interest. If we deduct the interest that leaves $92,000,000. If we deduct the $92,000,000 from the $309,000,000 it shows that as a nation, as a business entity, as a corporate body we were $216,000,000 to the bad last year in our external business. And I want to point out that our dealings with other countries do not any more than offset our interest debt to them, and one will cancel the other. Now, if this is the state of affairs we ought to ask ourselves the question "Is the fiscal policy of this country of a char-

acter that is leading Canada into prosperity, or are we piling up and adding to our obligations to a point where there may be danger? Let me illustrate the case a little differently. Last year the balance of trade with the United States against us was the smallest it has been, I think, for perhaps fifteen years or more. If we take the average for sixteen years it will give us a better idea. The average adverse balance of trade with the United States for the last sixteen years is $223,000,000 per annum. Add that to the sum of $150,000,000 for interest and we find that we are going behind with the United States to the extent of $375,000,000 per annum, and the ratio is increasing because each year our interest debt is increasing. This is a serious situation and we have to face it.

Where are we drifting in this fiscal policy? Where are we drifting in our transactions with the other countries of the world? How long can we stand it? I gave a simple illustration not long ago, and I will repeat it now. A man has a farm or a small business. He has something he owns out of which he is getting a living, perhaps a very decent living. He wants to expand a little. He borrows five hundred dollars and gives a mortgage on his farm. The next year he wants an automobile and borrows one or two thousand dollars and adds that to the mortgage on his farm. It is true the five hundred and the thousand dollars, or the two thousand whatever it is, does not bother him much because his farm is worth it, but if he goes on year after year adding to the mortgage, the time will come when there will be a foreclosure, and those who have been lending him the money will say: "We want to cash in on this deal". The question is how long can Canada continue increasing its indebtedness abroad without embarrassing the economic life of the country. That is the question facing Canada. Whither are we drifting? It is true Great Britain and Greece, for fifty years or more have had an excess of imports over exports, and these cases have been cited as an answer to the argument I am presenting. But it must be borne in mind that Great Britain had an invisible revenue before the war, and still has a revenue now of perhaps four hundred million pounds per annum in shipping revenue. She goes out into the markets of the world, carries other people's goods, and obtains a large revenue from it. That is part of the excess of the imports. It is debts being paid to her. We owe her a hundred and fifty million dollars a year. How do we pay it? We send over grain or manufactured goods or whatever we can sell to her. For the last half century or century or perhaps two centuries Britain has been collecting revenue from all corners of the world, and it comes in in the form of imports; consequently she can stand an excess of imports over exports. But we cannot because we are not a loaning country. We are a borrowing country. The same thing applies to Greece as to Great Britain. The chief revenue of Greece is in the form of tourist traffic, and this traffic leaves considerable money in the country. We have no such sources of revenue. We have some tourists coming into the country, and I am glad to see that the number is increasing, and I think the Minister of the Interior (Mr. Stewart, Argenteuil) should keep his eye on the tourist traffic, in order to help the country pay its debts; but the revenue derived from that traffic will not be sufficient to meet the three hundred and seventy five million a year. That is the point we have to keep in mind.

The time will come in the history of all debts and all mortgages when the stage of foreclosure is reached. I am not saying that the point of foreclosure is reached in Canada. I say, speaking perhaps now for myself—and every hon. gentleman can take it as he likes—I would consider myself a little less than a madman if I waited until the point of foreclosure came before raising my voice in opposition to this policy of drifting which is in vogue in the country now. I would consider we were traitors to the country if we understood the problem, appreciated the danger and allowed the drifting to go on until we approximately reached the point of foreclosure. I do not think that point has been reached, but I say the evidence of increasing obligations abroad is such that every sensible man and woman in the country is called upon to face the problem. Whatever the remedy may be, let everyone face the situation and acknowledge its difficulties.

I desire to say a few words in regard to some of the resolutions. I have something to say in regard to the dumping clause, but I notice that the Acting Minister of Finance (Mr. Robb), recognizing that discretion is the better part of valour, decided to retreat hastily from the position assumed on the introduction of the budget in regard to the dumping clause. It reminds us of a budget introduced three years ago. If I recollect correctly, there were three distinct budgets—two absolutely distinct budget speeches in the one year. I wonder if we are to expect any further injection of new matter into the budget before a vote is taken. I think the minister, or whoever was responsible for devising these items, should have known be-

fore they introduced the resolution what they know now, and I think did know it. But the minister thought he could throw this sop out to some people other than my hon. friends to my left, and win a little support from them; but when he was greeted with the evident anger and indignation of my hon. friends to my left he thought perhaps he would not gain as much as he would lose. I think that is the secret of the whole story.

Regarding the export of power, I am not going to deal with the question in any detail. I shall reserve that till the resolution is in committee. But this resolution vertually establishes the principle of the export of power, and this is the point I want to bring to the attention of the House. This method of dealing with power and this public enunciation of the intention to increase revenue out of the export of power virtually establishes the principle or policy of the export of power, and further it will develop a vested right that will be mightily embarrassing in a few years to come. Then we have the fact that we have been exporting pulpwood. We have business men on the other side of the line going to the United States congress and government and demanding that the government of the United States shall put a heavy hand on the government of Canada to prevent us taking any action we wish to take. Why? Because they say that they have established mills depending on this resource, and have established a vested right which they say should be respected. I am not going to debate that question, but if this resolution carries as it stands now, it will be tantamount to a declaration to the public that we are going into the business of exporting power and will open the way to the establishment of a vested right that will be international in character.

That is not all. I desire to bring this to the attention of the Minister of Trade and Commerce (Mr. Low), under whose department this matter falls, although he is not in his seat just now. Power is not a product. It is a tool. You might just as well take the machinery out of some of your factories and ship it to the other side, as to export your power to the United States. I want to emphasize if I can the point that power is not a product but a tool. It is a tool with which we can accomplish things in the way of industrial development in this country. It is not a product in itself, and it should not be viewed as a product or as a commodity to export. It should be carefully guarded as a useful implement for Canadians. I am not saying that we should immediately cut off the permission to sell export power, but if any of it is to be exported, it should be done on the basis that if we have any excess that we are not using, we will lend this power or this tool or this implement, under license for a year, to the people on the other side, but we should not part with the control or the vested right in that resource. If this resolution passes it will fix a definite limitation to the extension of Canadian industry. I pause to emphasize that point and I want to draw your attention, Mr. Speaker, and the attention of your colleagues from Quebec, to the fact that it will affect that province more than it will affect any other section of Canada. And it will affect my own province. And why? In Quebec, and I take it in all the provinces outside of Ontario, power is in private hands. Once the principle is adopted and the vested interest is established, private interests will so develop for their own selfish ends the export of this power that the time will come when others in Canada desiring to use it will find that the point of limitation has been reached. I repeat to my hon. friend—and it is the duty of every hon. member to recognize and realize this—that it will fix the limitation of expansion of industry in Canada, and it is nothing more nor less than placing a noose around the neck of Canadian industry with United States capitalists on the free end of the rope, so that at any moment suitable to them the noose can be tightened and Canadian industry strangled. This may seem like strong language, but sometimes it takes strong language to offset the persistent intention and determination of a government to dissipate our heritage.

Mr. GRAHAM: How does my hon. friend argue that an export duty on pulpwood would decrease the quantity of export and at the same time argue that an export duty on power would increase the quantity of export? How do the two arguments coincide?

Mr. STEVENS: I have tried to make this clear to my hon. friend. I may have been a little obtuse in my reasoning, and if my hon. friend has not understood it, that is my fault. If this resolution passes, it virtually means that Canada publicly admits that she is to follow a policy of the sale of power as a product. I point out to the House that power should not be looked upon as a product for sale at all; that power is a tool, or a weapon, or an implement, if you like, in the hands of manufacturers for purposes of production. It is not in itself a product. If we establish a system of export upon a revenue basis, that

is upon the principle of producing revenue to the country, we shall establish vested rights on the other side of the line. Indeed, those rights are there now; they are raising their heads to-day, even though we have been exporting power only under license. There is a vast difference between the two—establishing the sale of power as a product, and merely lending it, as I said a moment ago, under a yearly license. My other criticisms have have been criticisms of the proposed policy of the government. I say this to the government, not in criticism, their present policy ought to be surveyed; we ought to look carefully into our license system of the present day and determine whether or not we should make it more clear than we have that any power we part with is simply as an act of grace for the time being. As a matter of fact, this is what this House should say: That we do not purpose permitting the continuance of the export of power. I do not say that we should cut off the export of power at a moment's notice.

Mr. BALDWIN: I do not wish to criticize in the least. It is only for information I am asking this question. There has been a great deal of dispute amongst scientific men and deep thinkers about the export of power because we cannot cancel contracts that we make with the United States. If we are permitted to impose an export duty of $1.95 per horse power per annum, is there anything to hinder this parliament from making it $20 per horse power?

Mr. STEVENS: Nothing in the world. I think I understand what my hon. friend has in mind. Recognizing that certain contracts have been entered into and appreciating, as we must, the moral value or ethics of good faith, let us carry out those contracts or permit the carrying out of them, but let us make clear to the public that it is not a policy we are adopting. Let the United States know that they are not going to build up industries over there under Canadian hydro-electric power. That is my contention.

I may be asked what suggestions I have to make, because I appreciate that if I spend nearly an hour, as I have, in offering criticisms, somewhat sharp, of the government, it is up to me to offer some constructive suggestions, and I shall do so. If I had anything to do with the matter. I would make these suggestions:

1. To switch some of our purchases from the United States to other sources and change an adverse balance of trade of some $223,000,000 per annum to a favourable one sufficient to meet our annual interest indebtedness to that country. There are two ways by which this adverse balance of trade can be changed. One is for the United States to increase her purchases from us and the other is for us to decrease our purchases from them. As I have stated on other occasions, the United States will understand the language of "dollars and cents" more quickly than anything else, and if we want our friends south of the line to appreciate the customer they have north of the line, the best way is to withdraw some business from them.

2. To encourage the investment of Canadian capital in industry by removing irritating and overburdensome types of taxation; by adjusting the tariff so as to direct our vast reserves of raw materials to use in Canadian factories, and by tax or embargo to discourage the reckless export of raw materials and make abundantly clear that Canadian power is to remain under control for Canadian industry.

3. Recognizing that Great Britain has for decades been our best customer, to adopt such an attitude towards the Motherland and sister dominions as will lead to closer co-operation within the empire in trade matters, and to avoid scrupulously all appearances of discord in relation to foreign affairs.

In conclusion, this budget is a delusion and a snare. It does not disclose the full extent of the nation's obligations and commitments; nor does it correctly interpret the revenue accounts of the country; nor does it show either the real value of costliness of our $2,000,000,000 railway investment. It gives us no syllable of information on that, nor does it give any adequate idea of the condition of our internal trade, as I think I have well shown. But, on the contrary, it deceives the public as to the public debt. It mocks the taxpayer as to his taxes. It seeks to bury all of this under a meaningless certificate from two eminent outside accountants. The minister offers in answer to this: "Remember our great heritage." I have his full statement, but he calls on us to remember our great heritage. Where do this government stand? Do they favour free trade? Then, let them say so. Do they intend to protect Canadian industry? If so, let them stop pussy-footing and cease tolling the "death knell of protection." I understand the Minister of the Interior (Mr. Stewart) may do me the honour of following me. If he does, I am going to listen very carefully for that "death knell of protection."

Mr. STEWART (Argenteuil): The hon. member will hear about it.

Mr. STEVENS: He says I shall hear it.

Mr. STEWART (Argenteuil): Will my hon. friend quote me correctly? I said that he would hear about it.

Mr. STEVENS: Probably we shall hear an apology for or a withdrawal of the death knell.

Mr. STEWART (Argenteuil): Will my hon. friend wait until the hon. member has an opportunity of speaking and then he will have an opportunity of hearing?

Mr. STEVENS: I am glad I am getting the minister cross, because he always makes a better speech when he is cross.

Mr. STEWART (Argenteuil): I am not cross.

Mr. STEVENS: I ask this question: Do the government favour making Canada an economic adjunct of the United States? If so, then let them come out into the open and declare themselves frankly. Let them say that Canadian power, Canadian resources, Canadian copper, Canadian pulpwood, Canadian nickel, Canadian asbestos are to be produced for the purpose of feeding the manufactories of the United States.

If it is not their policy let them face the fact that this condition exists and let them attempt to put an end to this drift which is undoubtedly making of this country a mere economic adjunct to the United States. If the government is concerned about this tendency and are anxious to arrest it let them face squarely the $309,000,000 of a deficit in our dealings with the United States and let them tell us what they intend to do to rectify that condition of things. The economic and social conditions in Canada to-day demand definite action. The people are sick and tired of the policy of drift and are anxious to see this country economically sound. Everyone knows that Canada has a great heritage and there was no necessity whatever for the minister to note that fact in his budget speech. But what is required is a proper administration of that heritage; what is required is effective management by the government of the heritage that has been placed in their hands as a trust. That heritage the Canadian people desire to see developed in the interests of this country and not in exploitation and spoliation by aliens. This government stands charged before the people of the country with crass indifference to its own pledges; with ruthless dissipation of our resources; with duplicity in policy and with utter disregard of governmental responsibility. And it stands charged further with administrative practices which will end in delivering Canada economically bound and shackled to the United States.

Mr. W. B. SNOWBALL (Northumberland, N. B.): I regret the evident disappointment of the hon. member (Mr. Stevens) at not being followed by a minister of the crown. In this instance, however, the government has chosen a back bencher to reply to the hon. member and I am pleased to have this opportunity of following so able a gentleman as my hon. friend who was an administrator in the government of which the leader of the opposition (Mr. Meighen) was head.

I wish at the outset to congratulate the Acting Minister of Finance (Mr. Robb) on the agreeable surprise he sprang on his Liberal followers by being able to show an actual credit balance for the year ending March 31, 1925, of $1,823,000. We need not for the moment take into consideration the $4,000,162, which might be subject to some criticism. The achievement is a creditable one without this item. I also wish to congratulate him on the bomb he thus throws into the Conservative corner. It was amusing, Mr. Speaker, to see the falling countenances that followed this declaration, as they were in anticipation of the opportunity of enjoying a substantial deficit.

In view of the trade conditions that prevailed in the early part of 1924 that warranted a revival of trade in "free trade England" and alike in "high protection United States," it was certainly a great disappointment to all business men to find that better conditions did not materialize but that in both countries, exemplifying the two opposing trade policies, similar conditions prevailed, that trade languished and unemployment was intensified.

It was therefore, Mr. Speaker, all the more to the credit of the acting minister and the Liberal administration, that they were able after having freed the Canadian people of a substantial burden of taxation by the reduced tariff last session, to accomplish what many large business concerns were unable to do—show a balance.

The hon. member (Mr. Stevens) implied that there were apparently no reductions this year of any account, or at any rate no reductions that would lead to any saving to the Canadian people. But the hon. gentleman overlooks a large number of items in connection with which the tariff has been reduced. For instance, the list includes mowing machines, cultivators and farm imple-

ments of different kinds as well as farm wagons; while reductions have been made on fertilizers. There are also reductions in the case of spraying machines, incubators for hatching eggs, brooders for young fowls, milking machines, and so on; and rock drills, saw mills, logging machinery and logging wagons are reduced. We find too that the sales tax is reduced on rubber boots from 6 per cent to 2½ per cent and it is proposed to remove the sales tax on cereals, while there is a reduction from 6 per cent to 2½ per cent on canned vegetables, canned fruits, jams and things of that kind. All along the line reductions have been made, thus removing a considerable burden from the shoulders of the people.

Now, Mr. Speaker, reverting to the Roumanian and Greece interest payment, I consider the acting minister deserves the commendation of this House for his efforts in more fully providing, not only protection for the original debts, contracted by our Conservative friends when in power, but for the inclusion in this security of the arrear interest. Would any business man tell the House where he would put the four million dollars interest item, except as placed by the financial statement? The interest paid on this money borrowed for this loan has been a debit item each year, and included in interest payment, and when a payment is made in cash, or security, it surely would go to credit of interest account. True, it is not actually paid in cash, but it stands a secured payment on interest to debit of Roumania, Greece and a credit to interest account—and not a capital sum. The security now is bonds with coupons attached. I believe, and members on the other side of the House have admitted, that it will now be paid.

In general business we would treat an adequately secured account in that way especially when they were paying interest regularly and would be justified in so doing. Now my hon. friend from West York (Sir Henry Drayton) refers to the Home Bank case, and almost by implication wishes to leave the impression that the hon. the Acting Minister of Finance may eventually do time. But, Mr. Speaker, the circumstances are different, and I hope the acting minister is not losing any sleep. The Home Bank accounts on which interest was charged and credited to show favourable balances were hopeless, admittedly so, by even the bank officials, and proven so by actual results—no interest paid for years —but in this case the hon. member for West York says, "I am inclined to think they are going to come through". And he has every reason to be pleased that such a reckless expenditure by his government has been so favourably placed through the vigilance of the Liberal administration. Quite a frank admission the above, and practically justifying as far as he could the action of the acting minister. In fact since 1922, or since this government has been in power, the interest has been regularly paid.

Now, Mr. Speaker, let us touch for a moment on the railway situation; and at the outset I wish to state that I am fully in sympathy with the suggestion made by the hon. leader of the Progressives (Mr. Forke), that the railways be re-valued and written down to actual valuation. But again there are difficulties, and after you have done so, then what? Have you changed the situation any as far as Canada is concerned? Can we repudiate the difference between actual value and the amount at which it now stands about —$1,200,000,000—one billion dollars for about 22,000 miles of railway. From data available the Canadian Pacific Railway owns and operates 13,350 miles of railway, with a capital liability of $650,500,000. I simply give these figures for comparison and thought. Suppose we re-value the Canadian National Railway system: Canada still has to assume the liability, but in one instance it is a direct liability, and the other an indirect, with an increasing physical value as our trade under Liberal regime improves. At present, with a direct liability of $2,417,000,000, is it wise to make any change?

Now let us analyze this public debt for a few minutes and see if we can trace its source. The hon. the Acting Minister of Finance stated that $582,000,000, belonged to the railway; that would leave $1,835,000,000, as the ordinary debt of Canada as compared with a debt of $474,941,487, in 1911 when the Liberals went out of power, or $544,391,369, in 1914 when the Great war began; an increase of $1,291,000,000, largely attributable to the war the expenditure of which amount I do not propose to criticize, as it has already been under review.

Now, how about the $582,000,000, chargeable to railways? Where did that come from and who is responsible for that amount? And we will start with the amount mentioned in the hon. minister's speech—as classified "non-active" by no less an authority than the hon. member for West York, which is $272,624,-931 for 1919-20; and we add $109,662,654, for 1920-21; $97,950,645, for 1921-22; or $480,238,-230, in three years. We therefore find that $480,238,230, was added to this account during the regime of the former government, and

$77,863,938, in 1922-23; $23,710,616, in 1923-24; $269,602, for transportation charges, or $101,844,156, in two years during the period of the present government—making a total of $582,082,386.

Now, let us go a little further. I have heard such remarks as, "Let us give this railway away for a dollar" or "Hand it over to the Canadian Pacific" and so on. But why do this? What do we further find by investigating the budget statement—that our railway, after considering operating deficit, interest due public and rental of leased lines, only went behind in 1922-23, $36,722,181.00; 1923-24, $20,356,198.00;—quite an improvement—and in 1924-25, $21,343,940.00—not so bad considering the business depression. In a word, a vast improvement on the year 1921-22 of $56,204,000.

With this railway operated in the interests of Canada, running to points no company would consider continuing, pioneering for her people, why give it to selfish interests, as all corporations must necessarily be? The economies that have been effected by capital expenditure made through moneys advanced are beginning to make themselves felt. And I look forward to seeing the Canadian National Railway, under present capable management, within ten years a financial asset to Canada. This will be accomplished more quickly by reducing freight and passenger rates and encouraging business.

Now, Mr. Speaker, I wish to refer for a few minutes to the tariff. I may say at the beginning, I am a free trader, but must also frankly admit that under existing conditions our free trade views are impossible and we must make the best of things as we find them. I was hoping to see some revision downward in the tariff on articles that enter into home expense so that cost of living might be reduced. We in the Maritime provinces, however, appreciate the reduction that has been made on gasoline engines for fishing boats from 27-1/2 per cent to 15 per cent, and the provision made to equalize the duty on bituminous coal.

Who pays the duties? As I said in a previous speech, 85 per cent of our people are farmers and labouring people—by the latter I mean on a daily wage. In that case $136,000,000.00 of our $160,000,000.00 in 1923-24 was paid by this class of people, leaving only $24,000,000.00 by the others, or based on 2,000,000 wage earners and farmers equal to $68.00 per person—quite a tax, but is that all? Who pays the protection on goods made in Canada and I venture to say that this would be double or $320,000,000.00—or equal to $136.00 based on wage earners, or the two together $204.00—quite a substantial tax to be paid by this class of people indirectly. They would squeal if presented with such a direct tax. That is what adds to the cost of living. That is what makes Canadian manufactures cost so much. Increase the purchasing power of the dollar and you promote happiness and the welfare of the country, increase exportation, and create employment. Factories will locate where conditions are favourable for cheap production. Here I want to refer to the fact mentioned by the previous speaker (Mr. Stevens) of our pulp wood going over to the United States to be manufactured. The other day I noticed the following paragraph in a local paper:

[Mr. Snowball.]

5 p.m.

New York, March 26—The opinion that the Canadian newsprint industry is due for wide expansion, is expressed by the Wall Street Journal to-day in commenting on the acquirement of the Riordon and Gatineau properties in Canada by the International Paper Company.

"A cogent reason why International will do its future expansion in Canada is furnished by newsprint production figures for February," the paper declares. "In that month, for the first time in history. Canadian mills turned out more newsprint than their competitors in the United States. Since 1912 production in this country has remained almost stationary. While Canada's tonnage grew to 1,353,000 tons last year, from 256,000 in 1912, our mills turned out 1,471,000 tons of newsprint, against 1,432,000 tons in the former years."

The paper is of the view that the absence of an import tariff on newsprint in the United States has been the chief factor in accelerating the Dominion's growing supremacy in the newsprint trade. "Lower costs arising from natural advantages have done their share, but lack of a protective tariff has worked to the disadvantage of the United States mills and enabled the Canadians to take advantage of natural resources," the Journal declares. "International is already participating in these benefits at its mill at Three Rivers, Quebec, which has been operating two full years and has shown substantial profits. Abundance of power, water and proximity to timber reserves combine to make a low cost product.

By the quotation I have given it will be seen that the mills are coming to the source of supply and cheap production.

That is not all. In another paper I noticed that the International Paper Company contemplate the enlargement of their business in New Brunswick and also the building of a pulp mill somewhere on the St. John river along the line of the Canadian National railway, provided the branch line to Kingsclear is completed. With our natural resources of farm produce, lumber, fish, asbestos, and so on, we can compete under such conditions.

I feel that two serious mistakes have been made by Canadians. The first in 1878 when they adopted the National Policy. My father defeated the Hon. Peter Mitchell, then Minister of Marine and Fisheries in Sir John A. Macdonald's government, on that issue in

our county, and I may say Mr. Mitchell accepted the defeat and became a Liberal. New Brunswick and the Maritimes were doing well at that time and did not need any such policy. We had easy markets at our door, both for selling and buying; we had our own Intercolonial railway—the promise of confederation—just started. The National Policy came into effect, and from then on for the next 18 years we had an exodus from our province to the eastern States—business was depressed, and in spite of the cry of the "full dinner pail" we saw a diminishing quantity as far as we were concerned. Discontent was rampant, and annexation was freely discussed by leading men as the only salvation of our people. However, saner minds prevailed. The hon. member for Dufferin (Mr. Woods), a former active Conservative, referred to similar conditions in his province, and as there were only two members of the official opposition in the House at the time I purpose reading what he said:

Now, I want to refer to a statement made recently in this House by the hon. member for Fort William and Rainy River (Mr. Manion). Referring to the present condition of affairs in Canada with regard to employment and so on, he said that he had never known it to be so bad. He went a little further and said that from his knowledge of history he had never known it to be so bad; that such a serious state of affairs had not existed since the period between 1873 and 1878. Now, perhaps I will be pardoned if I tell the House something of the conditions between 1878 and the close of the century, based on actual experience. In the latter part of the eighties and possibly all through the eighties, and in the early nineties, conditions to my mind, and I came through them, were much worse than they are at the present time. I was actively engaged in farming in the early nineties and part of the eighties. I was in the working class, and knew considerable about the conditions in 1878, and onward; so much so that I was interested in politics at that particular time while still a young man, and I was then a very ardent supporter, I must confess, of the policy of Sir John A. Macdonald, which our friends to my right always advocate. In the early nineties the farmers could hire a man on the farm for $15 and $16 a month. The farmers at that time received about $4 a hundred for dressed hogs, and about $3 to $3.50 a hundred for live hogs. They could sell beef cattle that had been stable fed for six months at a price—I was going to say at the enormous price of 4 cents or 4½ cents a pound. I came through that particular period and have had actual experience of these conditions; I am speaking of Ontario.....

I consider this, Mr. Speaker, a noble confession. I am glad the hon. member for Dufferin (Mr. Woods) has seen the error of his ways and is progressing towards Liberalism by way of the Progressives. I will favour the House with another extract from his speech later on, as I want to give them in homeopathic doses.

But the hon. member for Dufferin is not the only person on the other side who has seen the error of his ways. Hon. F. B. McCurdy, who occupied the portfolio of Public Works in the government of the present leader of the opposition, a gentleman who is well known in Nova Scotia, and who was considered of sufficiently outstanding ability to be chosen for the important portfolio he occupied in the Conservative government, said:

Let me speak of the so-called National Policy, or system of protection, under and by virtue of which it is certainly true that the manufacturers of Ontario and Quebec have fattened and grown rich, even although they are now passing through a lean period. But in what measure has this system of protection to industries alone helped us? It compels Canadians, east and west, to buy the manufactured goods of Ontario and Quebec, but it still permits them to use American ports of entry and export for their goods, if so be they can wring a further profit thereby—and we who live in the provinces by the sea must watch with what philosophy we can command the edifying sight of Canadian imports and exports being carried through a foreign country.

He goes on further to show his attitude towards the National Policy, which he as a member of the Conservative government was supposed to be supporting. He says:

The industrialists of Canada were casting covetous eyes on the markets of the maritime provinces years before confederation, and when confederation was formally proposed they were amongst its strongest advocates. Previous to confederation all natural products passed freely between Canada, New Brunswick and Nova Scotia. As long as five years before confederation, the government of Canada formally propounded the free interchange of manufactured articles also between the colonies, which was refused by Nova Scotia.

So, Mr. Speaker, even a man so prominent in the Conservative party as Hon. F. B. McCurdy has seen the error of his ways, and he evidently was tending towards Liberalism and favouring the policy which we are supporting.

Relief came with the return of the Liberal party to power under Sir Wilfrid Laurier in 1896. The people took courage. Tariff reductions were made on 147 articles, and 47 others were placed on the free list. The British preference was established and raised from 12½ per cent in 1897 to 33⅓ per cent in 1900. Trade jumped from $211,000,000 to $711,000,000; the eyes of the outside world were attracted to Canada, and immigration began to flow in, starting with 21,716 in 1897, and growing to 311,084 in 1911. And then came the greatest calamity that has overtaken Canada—the Reciprocity Treaty of 1911 was rejected by the people on a selfish flag-waving cry, and our troubles began. Those who did not desire it then because of sentimental considerations, would gladly have accepted it later, but it was too late. The Fordney tariff was passed and a duty of 2 cents per pound placed on

mackerel and salmon, and 1 cent on all other frozen fish, except smelts, which latter escaped by some error. We are hard hit in our provinces by this tariff which also includes our potatoes. Mackerel and salmon fishing is an important industry with us, and one large shipper advises me that there is no doubt about who pays the duty, as when quoted a price f.o.b. New Brunswick, the price is less the duty and freight invariably.

I wish now for the edification of the official opposition to read further from the speech of the hon. member for Dufferin. The extract is not very long, but shows what did take place within that party:

That was in 1910. The Conservative policy then was, "We must get down to a lower tariff". They were going to appeal to the people and wanted to get hold of the people on that low tariff policy. But what happened? The Liberals outwitted them, went over to the United States and stole the Conservative platform. We know that the Conservative policy back in the eighties and nineties was that as soon as the United States was willing to put the natural products of the country on the free list Canada would do the same, and that we would have reciprocity in the natural products of the country. But the United States refused to accede to that request until 1911, when the Liberals went over there and made an arrangement with them in regard to it. The Conservatives then felt that they were up against it, that the Liberals had taken the ground under their feet, and some scheme had to be launched. What were they to do? They wanted to get into power. At that particular time I knew a little of the workings of that historic party to my right, and I got into the caucus. I have not time to tell my hon. friends about it to-night, because I have to catch the train.

I am extremely sorry, Mr. Speaker, he had to catch a train, because I would like him to have unfolded to us all the doings of that caucus, which launched the flag-waving scheme of 1911. He goes on:

They said, "There is one hope of getting into power, and that is the loyalty cry". They raised the Union Jack to the top of the mast. I do not know what they did in other localities, but I know that in my locality they fought the contest on that particular line and nothing else, and they succeeded in winning.

We can see by these statements, Mr. Speaker, which are made by one who was in close touch with the party at that time, that the Conservatives were not sincere in their attitude towards reciprocity, but were willing at any time to sacrifice the interests of Canada in order to secure power and get on the treasury benches of Canada.

We in the Maritime provinces are against high tariffs. We would ask the government to seriously consider further reductions. I realize that we cannot make any radical changes, but I would ask the government to give notice to the manufacturers that we cannot afford always to have them as cripples on crutches, and that they should try and take a few steps without artificial support until they can eventually throw their crutches away. We do not want to be inhuman and ruthlessly kick them from underneath them, but we would advise them to take warning, improve their methods, if necessary, cut down their property values, and prepare for what may come in the very near future.

Trade is improving in this country, and to-day we are in a more sound and healthy condition than the country to the south. Every bank president in the country has sounded a hopeful note in his presidential address before the annual meeting, but at the same time every one of them has advised caution and economy, and we realize that is good advice, and the practice of both by government and people alike will the more quickly bring about a sound financial basis for this country.

Now I wish to read to the House some clippings I have recently taken from the Daily Telegraph-Journal, St. John, N.B.,—a paper that has done much to interest the rest of Canada in the Maritimes—another dated February 19, from the Citizen, and a third from a Conservative paper published in Fredericton, the Daily Gleaner, under date March 27. The clipping from the Daily Telegraph-Journal says:

Cotton Mills on Full Time Again

Cornwall and York now working six days a week

"Back again to full time" was the cheering news that about 400 employees of the Cornwall and York cotton mills received early this week after 18 months of curtailed operations. The change is effective at once so that instead of closing down yesterday as usual for the rest of the week the mills will operate until Saturday noon as they do under normal conditions.

Market is Better

An improvement in the cotton market and the securing of some additional contracts by the local mills, it was learned on good authority yesterday, have brought about the resumption of full time. While it is not definitely known for how long a period this will continue efforts will be made to keep the mills on full time during the next few months.

The congestion of the market more than a year and a half ago hit all the cotton mills throughout the country hard and in many cases they shut down altogether for a time. The local mills have been operating on part time during this period of depression. Lately both the Cornwall and York mills have been running four days a week.

Improves Conditions

Employees of the mills and their families greeted the return to full time, with the corresponding increase in the size of their pay envelopes, with relief. Struggling along as best they could with only part time at the mills and with the high cost of necessities it has been a time of hardship for many. Landlords, store keepers etc. in the vicinity of the mills will also benefit by the return to normal conditions. In fact the effect of the increased work will make itself felt more or less throughout the city, a citizen pointed out yesterday, and will help greatly in restoring better times around St. John.

The clipping from the Citizen reads:

Hardware Trade on Sound Footing

President of Sheet Metal Company Prophesies Bright Business Future

Toronto, Feb. 19.—Business has reached a sound footing, which will enable advance purchases and bring about business stability. T. A. Enslow, president of a sheet metal plant of Hamilton, told the Retail Hardware Merchants' Association here yesterday.

Canada was facing a steadily brightening outlook, he said, and retailers could look ahead for several months at prevailing prices.

Speaking in a broader sense, Mr. Enslow declared that Canada should go slow in the matter of immigration, for with the steady increase of "good times" there not only would be a return of the thousands of Canadians, who had crossed the border to the United States, but these would bring with them many Americans to become Canadians.

I find the following in the Gleaner with respect to loans:

Loans well met in the Maritimes

Plenty of money available and interest rates to be lower.

St. John, N. B., March 27.—George H. Smith, of Toronto, General Manager of the Canada Permanent Mortgage Corporation and the Canada Permanent Trust Company, while here to-day, suggested that the local Boards of Trade invite members of the Toronto, Montreal and western boards of trade to come to the Maritimes and study conditions at first hand.

Mr. Smith said that all over Canada there was the dawn of better times and there was much more hopeful feeling among the business men. He predicted cheaper money for industry and a plentiful supply. All that was needed now for real prosperity was population and an additional half million people would make the wheels of industry hum.

Mr. Smith said his company had over $3,000,000 invested in mortgage loans in the Maritime provinces and they were extremely gratified at the way payments had been met on both principal and interest. In no part of the Dominion had payments been better.

In the western provinces conditions were on the mend.

As to the whole situation, he said a person would be a great deal of a pessimist who could not see the prospect of real improvement.

Mr. Smith will sail to-day on the Montcalm to spend a couple of months in England, where he will make arrangements for a supply of English capital for Canada.

He could assure the Maritime province industries that plenty of money would be available on mortgage loans and that the interest rates were bound to be lower.

Let us give up our pessimistic whining attitude, throw back our shoulders, and go forward hopefully into the future. We in this parliament can injure Canada by our unwise utterances in this House, or we can help smooth the path towards prosperity. Which attitude are we going to take?

I was going to make some reference to the dumping clause, but I find the Acting Minister of Finance has made a change in the clause of which I am a little doubtful as to whether it was really in the interest of Canada or not. I want, however, to refer to the fact that there was a saving to Canada under the duties that we have had. I referred to that earlier in my remarks in reply to certain hon. members from the west. I showed the changes that had been made and pointed out that there was an actual saving to the people of Canada both in customs duties and in sales tax. There may have been some shrinkage of business but it does not represent a very large amount. The actual figures are obtainable and will show that notwithstanding this shrinkage there was a very large saving to the people through the reduction made in taxes. It may not have been as large as was anticipated at the time owing to the fact that we had a reduced trade this year which was not expected when the estimate was made to parliament of what the return would likely be. Still the saving is large and the people have benefited beyond all doubt from the policy pursued by the government. I am sure because of the government's record the people will have confidence in it just as they had in 1921; and whenever the present government decides to go to the country the public confidence in it will be shown by the substantial vote that will be recorded for the Liberal party all over Canada.

In conclusion I come to the consideration of a matter that was discussed more than any other during my recent campaign by my opponents who thought they enjoyed a monopoly of it and rang the changes on it just as they did in the case of the flag-waving cry of 1911. I refer to what has been wrongly termed "Maritime rights". I am in no sympathy with any such name being applied to our problems. We have no rights as such. We are part of a great Dominion and we have problems to overcome. But every province has problems, and our problems like the others are such as each of us can help the other to solve. We looked for great results to come from the Intercolonial railway. The space between Upper and Lower Canada was to be bridged, and it was expected that a flow of merchandise —our fish, our lumber, our produce—would go west and the manufactures of the west would come east. In one particular the expectation was fulfilled. The manufactures came east, but our goods had to go in the same old way to the markets of Europe and the United States. However the hon. member for Kings (Mr. Hughes) went fully into this and I need not discuss it.

Then railway and express rates were increased, and as an example of discrimination I want to put on Hansard lumber rates from Chatham to Toronto, January 1st, 1916, to the present, showing a jump from 21 cents to 31½ cents, or 60 per cent, and rates from

British Columbia to Toronto, August 5th, 1915, showing 67 cents per hundred pounds at that time as compared with 88½ cents at present, or an increase of 32 per cent.

Freight rates on lumber, in carloads, from Chatham, N.B. to Toronto, Ont., at various dates as indicated below.

January 1st, 1913 to December 31st, 1916..	21
January 1st, 1917 to March 14th, 1918..	21
March 15th, 1918 to August 11th, 1918..	24
August 12th, 1918 to September 12th, 1920..	27
September 13th, 1920 to December 31st, 1920.. ..	33
January 1st, 1921 to November 30th, 1921..	36½
December 1st, 1921 to July 31st, 1922..	34
August 1st, 1922 to date..	31½

Rates are in cents per 100 lbs.

Freight rates on lumber, in carloads, from British Columbia Coast points to Toronto, Ont., at various dates as indicated below.

August 5th, 1915 to September 15th, 1920.. ..	67
September 16th, 1920 to September 19th, 1920.	1.05½
September 20th, 1920 to December 31st, 1920..	1.05
January 1st, 1921 to April 20th, 1921..	1.03½
April 21st, 1921 to December 26th, 1921..	90
December 27th, 1921 to date..	88½

Rates are in cents per 100 lbs.

Let me also compare the rates on another product of our province, fresh fish, which must go by express. Here are the figures:

Express Rates on Fish

Express rates on fish, fresh, any quantity, from Chatham, N.B. to Winnipeg, Man., 1,773 miles

January 26th, 1914 to August 31st, 1919.	$4.50 per 100 lbs.
September 1st, 1919 to February 8th, 1921..	6.15 per 100 lbs.
February 9th, 1921 to date..	7.70 per 100 lbs.

Express rates on canned fish, any quantity, from Chatham, N.B. to Winnipeg, Man.

January 26th, 1914 to August 31st, 1919.	$6.25 per 100 lbs.
September 1st, 1919 to February 8th, 1921..	8.20 per 100 lbs.
February 9th, 1921 to date..	11.05 per 100 lbs.

Express rates on fresh fish, in carloads, from Vancouver to Winnipeg, 1,465 miles

September 1st, 1914 to August 31st, 1919...	$2.50 per 100 lbs.
September 1st, 1919 to March 10th, 1921...	2.85 per 100 lbs.
March 11th, 1921 to date..	3.59 per 100 lbs.

Express rates on fresh fish, in less than carloads, from Vancouver to Winnipeg, 1,465 miles

September 1st, 1914 to February 14th, 1922..	$3.60 per 100 lbs.
February 15th, 1922 to date..	4.30 per 100 lbs.

The above rates are based on Classification weight, viz., net weight plus 25 per cent, so that the rate charged would really be 25 per cent in excess of the figures above quoted.

Our great industries are certainly discriminated against. Do you not agree, Mr. Speaker, that we have just cause for complaint and that the other provinces should insist on such an unjust handicap being removed. We must have lower freight rates and passenger rates if we are going to make this country of ours grow. We cannot under the conditions as they exist at the present time develop industries or develop trade within Canada unless a very substantial reduction is made in our freight rates, and I trust such legislation will be brought in at the present session of parliament as will make it possible to bring about the equitable rates so necessary to develop trade not only in the Maritime provinces but in the western provinces as well. We are looking for such legislation and I hope it will be available at the present session of parliament. We have our winter ports, St. John and Halifax, and we were pleased to find that the action of the government in limiting the British preference to goods passing through Canadian ports had resulted in only a fraction of one per cent coming in otherwise, but we feel that every Canadian National employee should be a booster for Canada and Canadian ports, and should use his influence to have these Maritime ports used in the winter. Spend money on our harbour facilities, spend money on making the entrance to them safe, spend money on breakwaters or anything that will increase trade. Do not economize on matters of this kind as it would be false economy and would tend to retard the growth of our country. With reference to immigration, we have been very much neglected in this particular, the railways desiring the long haul. I would ask the government to be very careful in regard to the selection. Do not bring industrial workers to the industrial centres until industrial workers who are there now have been absorbed by the increase in industry which is sure to take place in the coming year. We can use the right kind of farmers in New Brunswick. We have many vacant farms which became vacant during the period between 1878 and 1896. We have farm lands that are available for these settlers, adjacent to the cities, towns and villages. We would ask the government, in considering their immigration policy, not to pass by the Maritime provinces, but to bring the immigrants into New Brunswick and Nova Scotia. We have to import too much farm produce in our province. We have good land and good opportunity, and we invite the government so to frame their immigration policy that they will bring to the Maritime provinces the number of people necessary for the upbuilding of eastern Canada. We need them as much as they do in the west. As Canada is built up in population, as we increase the number of people in the country, by the better class of people of our own

[Mr. Snowball.]

nationality, people from the British Isles as far as we can, we will be doing one of the best things we can do for the country. If five hundred or a thousand people are brought into these provinces you will find a difference in the trade and in the outlook. We are a responsible people down there, and we will be able to show these newcomers that we have a country equally as good as Ontario or Quebec or the great northwest. These people will realize that the Maritime provinces will give them homes and encourage others to come. The difficulty is that people have never come our way. The great northwest has loomed up big and many people have gone in that direction. I ask the government to take notice of this and have the Immigration department look into the matter. Some effort should be made to bring into this country the people we need to fill up our farms and our country to make our Maritime provinces what we consider they should be.

Men have been brought from the north of Scotland trained in the fishing industry and they were taken out into the western country where they will not see a halibut or a salmon.

My hon. friend from Brandon (Mr. Forke) spoke of the fish on the Great Lakes, and in the vicinity of Manitoba. If those men were brought to New Brunswick or Nova Scotia, and went into the counties on the sea shore, they would find a condition similar to what they had left, employment they were accustomed to, and they would have the bracing sea air that they will miss in the west.

Finally we have another railway problem in New Brunswick which I would like to bring to the attention of the government. Branch lines were taken over in New Brunswick in 1904, 1906, 1917, 1920 and 1922, and are a paying part of the Canadian National system. I say a paying part, because I have it on the best authority that some of the branch lines I know about are a creditable asset to the Canadian National Railways, and are producing a revenue better than that produced by many of the other parts of the railway in Canada.

I would like to direct the attention of the Minister of Railways and Canals (Mr. Graham) to this matter, and I would like him to take into consideration that the government of New Brunswick gave bonds to the promoters. While in other provinces they guaranteed the bonds and the guarantee bonds are now assumed by the Dominion and New Brunswick contributes its share. The amount so given by New Brunswick amounted to $1,834,000 as below.

Canada Eastern Railway Fredericton to Loggieville	$404,000
Petitcodiac-Elgin-Havelock Railway	106,000
St. Martin and Upham Railway	131,000
Albert County Railway	496,000
N.B. and P.E.I. Railway	105,000
Caraquet and Gulf Shore Railway	222,000
Moncton and Buctouche Railway	95,000
International Railway	275,000
	$1,834,000

These railways are a paying part of the Canadian National Railways. I think the New Brunswick government should be recouped, the bonds in connection with these railways should be taken off their hands and they should be placed in exactly the same position as the other provinces in connection with the transfer of railways. I think that is a fair proposition, and should appeal to every hon. member in this chamber, whether Liberal, Conservative or Progressive. All that we ask is that we be dealt with fairly, in the same way as the provinces of Ontario, Saskatchewan and Alberta were dealt with, and that the money advanced to the railways should be taken off the shoulders of the New Brunswick government and become a part and parcel of the indebtedness of the great National railway system. We have assumed our part and portion of these other guaranteed bonds. We are a part of Canada. Assuming that, I think we have every right to ask the government of this country to treat the Maritime provinces exactly as the other provinces have been treated, and we feel that our province should be relieved, as other provinces were relieved, of this responsibility.

Then we have the Valley railway, operated as a part of the Canadian National and under lease, having cost the province $7,111,977 for about 180 miles, or about $40,000 per mile. This line was built on the same standard as the National Transcontinental. It is now leased to the Canadian National, and I say this line should be taken over by the Canadian National Railways, and that the Canadian National should assume the liability of the province of New Brunswick. There is nothing unreasonable in this request. I know that this is a large order. I know that the government of the province of New Brunswick is not responsible for the condition as it exists at the present time, but that railway is hampering the growth and freedom of the people of the Maritime provinces, because they have not sufficient means within the province or available with which to raise revenue and pay interest on an investment of that nature. The government, having taken over

the other branch lines, I think could very well afford to take over this line, even with the large investment in railways, which was stated by one hon. member to be $1,800,000,000 It would enable the province to invest money which would then be available to them, for other works in the province. We have been considering the question of the water powers in the province of New Brunswick, and if these railways were taken off our hands it would make it possible for our people to develop the water-powers, having been relieved of these interest rates in connection with this railway enterprise.

I bring this to the attention of the government and I hope they will consider the matter. I think hon. members coming from the Maritime provinces, and members from the other provinces will agree that in all fairness the province of New Brunswick should be assisted in this way, and it would only be carrying out the understanding which was arrived at when the province came into confederation. Now is the time when the government can hold out the olive branch and say, "We are prepared to relieve you of your obligations in connection with the railways, as we did with the other provinces, and we know that the province will then prosper".

The Kingsclear branch bill was thrown out by the Senate last year. We hope that it will again pass the House and be favourably considered in the Senate. We need this branch. It will shorten the haul from northern New Brunswick to Boston points, some 350 miles. It will be the connecting link that will make the Valley railway a paying piece of road and it will encourage the establishment of industry along the Canadian National.

Another line of railway that we hope the government will seriously consider—and it has been brought before Sir Henry Thornton who looks upon it with favour—is the extension of what is known as the Caraquet and Gulf Shore road from Tracadie along towards Newcastle, a distance of about sixty miles through prosperous country and good farms, and would develop not only the fishing and lumbering industries, but would encourage the construction of pulp and paper mills, and assist one of the Fraser Companies pulp mills now on that side of the Miramichi river, without rail connection.

We are handicapped by the fact that there are no railways running on that shore. If the railway was constructed there it would tend to the development of the country, and farming would be carried on more extensively. I think that part of the country is more closely inhabited than any part of Canada. Many Acadians are in there and doing wonderful work in farming. They are developing the country, and if encouragement is extended, many more will come in, take up land, and make New Bunswick a desirable province from the farming standpoint.

There is a great opportunity for the extension of the pulp industry in that section, as power will be brought from Grand Falls in large quantities, and great developments will be made possible. We would have another pulp mill and possibly paper mills, as well as hardwood mills, in that section that would contribute very largely to the paying possibilities of that railroad. There is along the line that railway would cover, a pulp mill built by the Fraser Companies Limited one of the most energetic and progressive concerns that we have in New Brunswick, and one which has done a great deal for the industrial advancement of our province. This pulp mill is situated on the opposite side of the Miramichi river from Chatham, away from railway facilities. They would be wonderfully assisted and their industry would possibly be increased to a great extent if they were able to bring in their coal and ship out their manufactured product by a railway passing by their door. I would draw the attention of the government to this, because I think it is worthy of their consideration. I hope, in bringing in their branch line legislation for this year, they will not forget to put in a substantial item to make at least a beginning of the extension of that line of railway from Tracadie along towards Newcastle, to be finished and carried forward as an extension and loop of the Canadian National Railways.

We have our grievances and our burdens as hon. members can see. We are Canadians and shall remain Canadians, but let it not be forgotten that we are an important part of this great Dominion—the eastern door. As we enter this building, we see engraven on stone that it may ever be kept in mind:

> The wholesome sea is at her gates,
> Her gates both east and west.

We are that eastern gate. Canada needs both her gates and Canada will develop and be great as she passes the products of this country through her gates to distant lands.

Let us get together and solve our difficulties, harmoniously working together east and west and intervening parts, and let us make this Canada of ours what the Great Creator really intended when He placed us here and gave us such wonderful natural advantages—the greatest country in the world.

Mr. L. P. BANCROFT (Selkirk): Mr. Speaker, the budget has been presented much earlier this session than is the general custom. It may be that this accounts for the fact that some long overdue legislation has not yet been presented to the House.

The need for re-valuation of lands taken up under the Soldier Settlement Act was clearly demonstrated to the government in the committee which investigated this question last session. The Soldier Settlement Board began its operations in the province of Manitoba, and naturally the abuses, which crept into the locating of soldier settlers, were, perhaps, more pronounced in that province. I desire to bring to the attention of this House the government's obligation in this matter. When the returned soldier applied to the Soldier Settlement Board for a farm, he was shown a list of farms with descriptions and prices. These farms had been inspected by supposedly expert valuators, employed by the board for that purpose. If the valuator did not approve the price asked for the farm, he would naturally not allow it to be listed in the office of the board. The inclusion of a farm in the list shown to the applicant was in the nature of a guarantee that the list price represented the actual value of the land. Under this plan many returned men were settled on lands totally unfit for farming, and the board finally realized the situation which had developed and made a thorough house-cleaning after about two years operation. If there was nothing wrong with the valuation, there would have been no necessity for the clean-up which took place at that time. By their action the board admitted that there was something wrong with the valuation that had been carried on in certain districts in Manitoba.

The board is to be commended for its action, but it did not go far enough. What about the soldier settler who was the victim in these cases? Except for the amendments of 1922 which gave him more time in which to meet his payments, nothing has been done to lighten his burden of debt, which in many cases was improperly placed upon him. The board prevented a recurrence of the trouble, but it made no restitution for the wrongs already done. These facts must be considered together with the serious depression which the policy of deflation brought upon agriculture, and a re-valuation of lands, particularly in districts most affected by the early administration of the act, is imperative at this time, the alternative being more abandoned and untaxable lands and more men moving to the cities to increase the unemployment problem. I trust that the government being in possession of all the facts, will bring down the legislation necessary to meet this situation.

A somewhat similar situation has arisen among certain settlers in various parts of western Canada. In the constituency of Selkirk, which I have the honour to represent, quite a number of Scandinavians and Ruthenians were settled some years ago on land which should never have been thrown open for homestead entry. These lands consist of stony ridges, stony scrub land with a very shallow loam on a gravelly subsoil. The settlers on these lands have eked out an existence as long as there was cordwood available. Wood is getting scarce now, and the crop failure this year, which left them without even potatoes for their own use, has resulted in great hardship and destitution. The present condition of some of these people is serious, and I would suggest that, where they are settled on manifestly unsuitable land, they be granted the right to homestead again in a better district.

Mr. GARLAND (Bow River): Is it not true that they now have that right, that they can release their soldier settlement holdings and subsequently take up homesteads?

Mr. BANCROFT: Yes, but my hon. friend has misunderstood me. In the latter part of my remarks perhaps I did not make it clear, but I was referring to actual homesteaders, not to soldier settlers.

Turning to the arguments advanced in this discussion, the protectionists in this House have become greatly concerned over the working-man, and no doubt the full dinner pail will be their election cry. I do not think that the workers of Canada can be deceived in that way. They cannot be taxed into prosperity. Any system which places greater burdens of taxation upon a man with a family than upon a bachelor will never appeal seriously to the Canadian workman. Protection increases the cost of living, and therefore decreases the purchasing power of the consumer, lessens the worker's demand for his own product and at the same time places him under a handicap when competing with workmen in other countries. One might well ask of those who claim that protection protects labor: Why not exclude all who would compete against them in the labour market? But, very properly, these advocates of protection are in favor of an aggressive immigration policy. The value of their professions of concern for the interests of Canadian labour may be better judged by their actions. I would like to point out that those who stand for the protection of Canadian workmen embrace every oppor-

tunity to employ workmen of other nationalities when such employment means increased profits.

Has protection protected Canadian labour in the case of the canneries on the Pacific coast? If my memory serves me right, drastic regulations have had to be invoked to force the canners of British Columbia to employ even a small percentage of Canadian labour. The largest Canadian steamship companies operate under British instead of Canadian registry. They register in Great Britain to enable them to employ British seamen to compete with Canadian seamen. Canadian steamship companies operating between Vancouver and the Orient man their boats with coolies hired in China. The British Empire Steel Company operating boats between Montreal, Sydney, Halifax and St. John, and enjoying the fullest possible protection under the Canadian coastal navigation laws, brought in 105 Chinese coolies to replace Canadian seamen on their boats. In my judgment, Mr. Speaker, there can be no security for Canadian workmen until the purchasing power of this country is restored and until our industries are established on a natural rather than an artificial basis.

In discussing the budget last year I pointed out that the reduction of the sales tax offered less relief for the taxpayers than would an equal reduction of revenue from the customs tariff. If the $20,000,000 taken off the sales tax had been taken off the tariff a very much larger amount would have been saved to the consumers, since the hidden bonuses paid to the protected industries would have been proportionately lessened. A very large increase of purchasing power would have resulted and much of the existing depression in eastern industries might have been avoided.

In the same discussion, the government will recollect, we on this side of the House asked that there should be something in the nature of an appeal provided which would enable any importer who felt that the administration of the dumping clause was unjust to obtain a decision of the facts in the particular case by an impartial tribunal. My recollection is that the government expressed itself sympathetically to the proposal, but nothing has been done.

Mr. GRAHAM: If I remember rightly, there is under the present act an appeal to a tribunal known as the Customs Board.

Mr. BANCROFT: I remember there was a discussion of the subject last year, when the government was asked to make some provision for an appeal. I am glad to hear that this has been done.

Mr. GRAHAM: I think there is such an appeal.

Mr. FORKE: The trouble is that the Customs Board is the greatest protectionist board in the Dominion of Canada.

Mr. BANCROFT: I knew there was something wrong about it. This session we have had a proposal to widen the scope and application of the dumping clause. This proposal has now been withdrawn, but its withdrawal does not remove the original objection urged in this section of the House to the existence of the anti-dumping clause nor the suspicion that it is utilized to the injury of Canadian consumers. We welcome the change in the government's proposals, remarkable at it may be that so important a feature of the budget to which the government may be assumed to have given serious consideration before bringing the budget down should be destroyed by its sponsors so soon after its introduction. The history of the anti-dumping clause is illuminating as showing the necessity for unremitting vigilance to prevent encroachments by the protected interests. Clause 6 of the Customs Act of 1907 permitted the special duty to be levied when the actual selling price to an importer was less than the fair market value in the country of origin. This was amended in 1914 to allow a differential of five per cent between these two prices before the dumping duty was applied. Last year this differential was abolished by order in council but as the result of strong protest was again restored. This year's amendment would again have abolished the differential and would have given the Minister of Customs and his officials power to say what the value of any commodity imported would be for customs entry. The only definition we have of value for customs entry is that given by the minister in the amendment of 1922 relating to imports of natural products. The minister said it might be the price of the goods on the Canadian market. The old law placed a limit beyond which the minister could not go; that was, the fair market value in the country of origin. Had the amendment proposed in this budget carried the Minister of Customs would have had the power to increase protection to where it would become a practical embargo against the importation of goods, irrespective of the tariff schedule passed by this House. It is noteworthy also that goods which are listed in the tariff schedule as being free of customs duty, such as binder twine, cream

separators and barbed wire, would have come under the scope of this clause.

When the Prime Minister, (Mr. Mackenzie King) toured western Canada last fall he made an appeal for the low tariff forces to get together. I wonder if he had this proposal in mind at the time. I want to say to the right hon. gentleman that the low tariff forces in this country will get together, that every attempt to increase protection drives them together and assists very materially in bringing about a clear cut division between the low tariff advocates and the protectionists. And when this takes place the low tariff forces must choose between the budget proposals of the government and the principles outlined in the sub-amendment submitted by my leader the hon. member for Brandon (Mr. Forke).

Andrew Fletcher said:

Let me write a country's songs and I care not who makes its laws.

The Canadian manufacturers might well change this to read: "Let us draft the anti-dumping clause, we care not who makes the tariff schedule."

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, with hon. members who have preceded me, I desire to express my regret that the Minister of Finance (Mr. Fielding) is unable to be in his place. I hoped he would have recovered long ere this.

I congratulate the Acting Minister of Finance (Mr. Robb) on the splendid showing he has been able to make under rather adverse circumstances. There can be no doubt that not Canada alone has passed through a rather serious depression during 1924, but also our neighbours to the south, in fact the whole world. It is a favourite pastime of my hon. friends opposite to dilate on the fact that Canada is suffering from a condition which they would have us believe is not also present in the United States. True, they admit that in Great Britain and on the continent difficulties have been encountered by the governments of the day, that unemployment is rampant, but they never state that a similar condition of affairs exists across the line. Of course, their panacea for all our troubles is an increase of tariff.

Before dealing with that matter I wish to congratulate the hon. member for Vancouver Centre (Mr. Stevens) on his address delivered this afternoon. Naturally it represents his standpoint. I must take issue with him for neglecting to ascertain that exactly the same system of accounting which is in existence to-day, and which he criticized so severely, has obtained for a number of years. I have taken the trouble to interview the Deputy Minister of Finance with respect to this system, for I confess that I shared with some other members the feeling that perhaps the country's accounts could be presented to the House in a somewhat more intelligible form. I am bound to say in fairness to him and to the officials of his department that I believe they are making a fair presentation of the facts respecting the country's accounts just as they stand in the books. Furthermore, that gentleman informs me that no Minister of Finance under whom he has acted has ever interfered with him in the slightest in the manner of making up these accounts, which he compiles in the same way every year, giving a true record of the receipts and expenditures for the fiscal year. Our public debt at the end of the last fiscal year was $2,417,734,274.88; the ordinary revenues—estimated for the current year—and apparently we have no dispute about this—will amount to $344,000,000; our consolidated fund expenses will amount to $319,700,000; our capital charges on public works—marine, railways and canals—will be $18,077,000; the special account mentioned by the Acting Minister of Finance is $4,400,000; leaving a favourable balance on the year's operations of $1,823,000. Now, if we entirely separate our railway accounting from the general accounting of the government, we have no difficulty in arriving at the result. I think we are agreed that there can be no difference of opinion about the accounts so far, but apparently there is a very considerable divergence of view when we come to our railway accounting and its application. I am not going to find any particular fault with the system adopted by our predecessors in office, but simply offer an explanation which I think will help to clarify the situation to some extent.

Treating our railway accounting entirely apart from the general accounting of the country, we find that up to 1920 bonds were issued to and notes taken from the railway companies to the extent of $272,000,000. Upon that occasion the then Minister of Finance, the hon. member for West York (Sir Henry Drayton) adopted a different system—I presume because the railway companies were unable to pay the interest charges on those advances—and while he charged the loans to the public debt, and

increased it accordingly, he treated them as non-active. His policy has been pursued ever since.

In 1921 that was the policy pursued. In 1922 that was the policy pursued except with this difference; in that year, as explained in the speech of the Acting Minister of Finance (Mr. Robb), the sum of $56,000,000 odd was received from loans made to the Imperial authorities for war purposes, and not being in a position to liquidate the bonds that were maturing, the Minister of Finance (Mr. Fielding), instead of placing that sum in a trust account to reduce the public debt, decided in view of the fact that he had to provide for the railways that year the sum of $80,000,000 odd that it would be better for him to advance the cash received from these loans to the Imperial government than to float new loans and to turn over the proceeds to the railways, as had been done in previous years. Therein lies the difference.

Again, in 1923, because of the peculiar provisions of the act, which permitted the government to loan by way of cash or by guaranteeing bonds, the government again floated a loan, partly guaranteed securities, and partly cash to carry the railways that year, and $24,000,000 was carried in that way from the cash account of the country.

In 1924 we provided $18,000,000 odd of cash in loans to the railway. Had it not been for the fact that in 1922 the whole of the railway obligation was taken care of by cash, and by receipts from loans which had been gathered not from the taxpayers of this country, but from the Imperial government, no difficulty would have been experienced in understanding the situation thoroughly. The difficulty comes about in having obligations, partly cash, and partly guaranteed loans.

Bear in mind also one other class of security that perhaps makes it somewhat confusing, That is the securities issued for the purchase of equipment. In that case the government does not guarantee. The security is taken upon the equipment itself, and there again you have another more or less special account. So you have three systems in vogue in the railway accounting: one of guaranteeing bonds by the government, another the issuing of cash, and the third the issuing of bonds by the railways for the purchase of equipment, the bonds not being always guaranteed, the security usually being taken upon the equipment.

All told we had accumulated in this way up to the end of last year in loans to the railways the sum of $582,000,000. That is the amount that has gone into the railways, and upon that we have delayed interest of $131,000,000. The total amount required annually for the payment of government loans and loans to the public, overhead and fixed charges, is $62,000,000 odd. Nearly $30,000,000 of these fixed charges is due the government, and of course not paid. Unfortunately, the railway company is not able out of its earnings to take care of even the fixed charges that are due to the public.

Mr. MEIGHEN: In view of that, will the minister say there is any real difference between the responsibility of the country in the case of a direct loan of the country for the purpose of the railway, and a guaranteed loan?

Mr. STEWART (Argenteuil): I am not making the claim that there is any difference whatever.

Mr. MEIGHEN: Hear, hear.

Mr. STEWART (Argenteuil): I do not make that claim. What I say is that in order to pay the total indebtedness of the railways, we require to raise annually $62,000,000 odd of interest. That must be raised either by the railways or by the country. Until we decide whether or not we are going to change the system of accounting, whether or not we are going to deduct from the railways, as has been suggested on many occasions by hon. gentlemen in this House and outside, what might be considered over and above what ought to be charged against the railways for overhead, it appears to me this system of accounting must continue. But what I do wish to point out is that there has been no change in the system. It is identically the same system, and the two sides of the ledger show very clearly what the railway indebtedness is, and what the government is responsible for. Indeed, the government is responsible for the whole obligations, because the country owns the whole railway so far as that is concerned. But there has been a difference in the accounting inasmuch as the loans from the government, both by way of cash and guarantees, are in a segregated account, and are charged to the public debt of the country.

Mr. MANION: Instead of claiming a surplus, would it not be fairer to the country generally to charge all the railway debts, if they cannot be paid, to the country generally?

Mr. STEWART (Argenteuil): That is just the difference between my hon. friend and myself. If that policy were adopted, we

should have to undertake to raise, in addition to the consolidated revenue fund, a sufficient amount to pay all the interest charges of the railways that they were unable to pay out of their earnings.

Mr. MEIGHEN: Or borrow the money.

Mr. STEWART (Argenteuil): They do borrow.

Mr. STEVENS: Will my hon. friend not take this into consideration? Last year, 1924, was the first year we had a consolidated balance sheet from the railways. Previous to that, the returns were divided up among the different railways. There is no excuse now for not presenting to parliament a complete statement of the consolidated railway balance sheet.

Mr. STEWART (Argenteuil): If my hon. friend has followed the statement of the Acting Minister of Finance, and I take it that he has—

Mr. STEVENS: I have studied it carefully.

Mr. STEWART (Argenteuil): —there should be no difficulty in arriving at the real indebtedness of the railways. Why should there be? On one side of the ledger you have a statement of the indebtedness of the railways to the public, and on the other a statement of the indebtedness of the railways to the government—two accounts, it is true, but they are perfectly clear and understandable. We know what the indebtedness of the railways is to the government of Canada, and what their indebtedness is to the public of Canada and elsewhere who have purchased their bonds. There is no difficulty in understanding that statement. I fail to understand how it could be more clearly shown.

Mr. MEIGHEN: In the face of what the minister has admitted, which is frank and honest, in view of the fact that the guaranteed liability is just the same precisely as the direct liability, how does he justify the claim last year of $35,000,000 surplus, and the making of that the basis for a reduction of taxation?

Mr. STEWART (Argenteuil): Let me take my hon. friend back to the provisions of the statute with reference to railway financing.

Mr. MEIGHEN: That is not the point at all.

Mr. STEWART (Argenteuil): Oh yes, I think I am right; I think I am perfectly right. If I take my right hon. friend back to the provisions of the statute it will be seen you can either borrow the amount by way of loan or by way of cash—

Mr. MEIGHEN: Exactly.

Mr. STEWART (Argenteuil):—and loan it to the railway—in other words loan it to yourself, because, in effect, that is what this transaction is to-day. So there can be no difficulty about it and the statement of last year was a perfectly clear statement. I want to say to my hon. friend from Vancouver Centre (Mr. Stevens)—

Mr. MEIGHEN: It is not clearness I am objecting to.

Mr. STEWART (Argenteuil): May I get this from my right hon. friend: If it is not clearness that my right hon. friend is objecting to—

Mr. MEIGHEN: It is dishonesty.

Mr. STEWART (Argenteuil): —is he objecting because we are taking moneys from the revenue of the country and placing them in a special account which is called "non-active?" There can be no difference of opinion about that surely?

Mr. MEIGHEN: Not at all.

Mr. STEWART (Argenteuil): Well then, the statement is very clear.

Mr. MEIGHEN: I am not complaining about clearness.

Mr. STEWART (Argenteuil): Would my right hon. friend not ask as the hon. member for Fort William and Rainy River (Mr. Manion) did, at least, I imagine that is what he was desirous of doing: Why do you not take from the consolidated revenue all the requirements to pay the interest on the fixed charges of the railways over and above the net earnings?

Mr. MANION: No, I was merely pointing out that a liability of the National Railways is as much a liability of the country as any other liability—for example money expended on harbour improvements, and expenditures of that class; and that that money should be charged up against the country generally just as much as these other expenditures are.

Mr. STEWART (Argenteuil): That is in effect what my right hon. friend is arguing. So long as we know clearly what the borrowings or loans of the country are, either by way of cash or a guarantee of bonds, then we know absolutely what the full indebtedness of the railways is to the public and to the government; there can be no question

about it. However, I do not want to get into a controversy about this. What I am trying to present to the House, in a clarified manner, if I can, is the exact situation but not to mix the railway accounting and the public accounting. I gave the details of the public accounting in the first instance where the government of the country had taken care of the capital charges as well as the general expenditure from the consolidated revenue, there being over $1,800,000 of a balance; and the loans to the National Railways whether by advances from the consolidated revenue or by way of borrowings are kept in a separate account and the exact standing of that account is shown absolutely. Until we adopt a different principle—the principle suggested by my hon. friend (Mr. Manion)—of taxing the public to pay for the overhead in its entirety I do not see how any radical change can be made in the accounting method.

Mr. MEIGHEN: The minister has missed the main point. The hon. member (Mr. Manion) did not suggest taxing the public. It is all a question of whether the advance takes the form of a direct loan or a guarantee upon the government's responsibility. My hon friend admits that in effect one is exactly the same as the other, as everybody knows. Now the point is this: When the money is borrowed by direct loan it becomes part of the national indebtedness, part of the year's expenditure but not necessarily part of the year's taxation.

Mr. GRAHAM: You never knew that before.

Mr. MEIGHEN: We have always known it.

Mr. GRAHAM: You did not practise it.

Mr. MEIGHEN: That is another question. If the minister will give me permission, and hon. gentlemen opposite are as good at listening to an argument as they are at laughing, I will take the privilege right now of showing the difference. I want to make clear the question I put to the minister. It was this: Inasmuch as the responsibility is the same for the capital indebtedness, whether it is by way of borrowing direct or by way of guaranteeing, what is the necessity of claiming a surplus because with a guarantee there would be as much of a deficit as if it was a direct debt.

Mr. STEWART (Argenteuil): I fail to follow my right hon. friend's reasoning. He argues in a rather roundabout way inasmuch as he seeks to set up a difference between a direct loan and a guarantee.

[Mr. C. A. Stewart.]

Mr. MEIGHEN: I say there is no difference. You say so too.

Mr. STEWART (Argenteuil): Exactly.

Mr. MEIGHEN: Then why are you claiming a surplus?

Mr. STEWART (Argenteuil): I have already said to my right hon. friend and I say to him again that until the moment arrives when we are prepared to take care of the difference between the earnings of the railways and the amount necessary to pay the overhead —until that time arrives when we are prepared to take it all out absolutely in cash and charge it to the taxpayers of the country the system of accounting and the system of making the charges are identically the same as they were before.

Mr. MEIGHEN That is not the point at all. It is not a matter of system, it is a matter of reality.

Mr. STEWART (Argenteuil): Then I shall have to leave the matter to my right hon. friend. No doubt he will speak in this debate and I shall follow him with a great deal of interest. I have gone into this matter very clearly—

Mr. MEIGHEN: Yes it is very clear.

Mr. STEWART (Argenteuil): —and I will leave it to my right hon. friend to deal with it when the time comes.

There is one other item which the Acting Minister of Finance has added to his surplus, namely, the item in connection with the Roumanian and Greek loans—I think it is an item of $4,162,000. I am only going to deal with the items that are in dispute. I am not going to attempt in any way to cover a great deal of ground, I shall simply deal with these items just as they arise. I think the Acting Minister of Finance gave a very clear statement with respect to the origin of this amount which he has applied to the reduction of debt. Hon. gentlemen opposite know that loans were made to the governments of Roumania and Greece. I cannot say what the securities were but I think I am correct in stating—and if I am not correct the ex-Minister of Finance will correct me—that they were never considered in the category of non-active assets. Apparently there are three items that do appear as non-active assets, namely, the loans to the railway companies, the loans to the Canadian Government Merchant Marine, and the loans to the Quebec Harbour Board. Those are all set out, but so far as I am able to ascertain the loans to Roumania and Greece

were never considered non-active assets although there was some doubt as to the security. Beyond that I think these have been always regarded as assets upon which we should realize some day or another. When Mr. Larkin went to London as High Commissioner he took the matter up with the governments of Roumania and Greece. The loans to Roumania were in the neighbourhood of twenty-three millions; those to Greece, I have forgotten the exact sum, were not anything like the same amount. The high commissioner was able to arrange for the payment of those loans, getting security upon the excise duties, I believe in the case of Roumania and upon a fund just as secure in the case of Greece. If there was doubt about the form of security in the past there can be no doubt as to the character of security now. Interest to the extent of $4,162,000—I think I am correct in the amount—had accrued in the meantime.

Mr. FORKE: No, $4,000,162.

Mr. STEWART (Argenteuil): What the commissioner did was this: He went back to the governments concerned and said, "We think we are entitled to have this interest or have it secured" and security was given for the interest. The interest was added to the principal so that the overdue interest now occupies identically the same position as the principal due by the governments of Roumania and Greece in the first instance. There can be no doubt that we will receive the same interest upon this amount as we are drawing upon the loan itself. We have absolute security and believe that this asset is worth every dollar it purports to be. The interest referred to has been added to the principal making the total loan, if I remember correctly some thirty-one millions, upon that we shall draw interest annually until the loans are repaid. Is there anything wrong in the Finance Minister taking credit for a security of that sort? I do not see anything wrong about it.

Mr. MANION: Not as far as he has gone, but go ahead.

Mr. STEWART (Argenteuil): It is not an asset to the country? Surely as it is going to draw interest it can be credited as a liquid asset. There can be no doubt about it, and the Acting Finance Minister (Mr. Robb) is quite in order in placing it in the list of active assets to credit against capital charge.

Mr. MANION: I doubt the statement as far as it goes, but is the minister quite honest in crediting it to surplus, adding it to the two million and making a sum of six million?

Mr. STEWART (Argenteuil): Where would he put it?

Mr. MEIGHEN: It is not a receipt at all.

Mr. STEWART (Argenteuil): My hon. friend speaks of honesty. I do not think the ex-Minister of Finance (Sir Henry Drayton) will say it is dishonest. I am certain he will not.

Sir HENRY DRAYTON: I would say it is very misleading.

Mr. STEWART (Argenteuil): It is not misleading now to the hon. gentleman.

Mr. MEIGHEN: It is misleading to the public.

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: Yes.

Mr. STEWART (Argenteuil): We have a perfect right to credit our liquid assets in this way, and so has every firm. I venture to say if my hon. friend from Vancouver Centre (Mr. Stevens) will ask Mr. Waugh, one of the auditors for whom he has such a high regard, whether the charge is not a proper one, he will be informed that it is.

Mr. STEVENS: I have had experience of my own based on similar matters.

Mr. STEWART (Argenteuil): I quoted the statement of the hon. gentleman this afternoon, and he said he had no doubt of the honesty of the certificate.

Mr. STEVENS: The auditors did not certify this account.

Mr. STEWART (Argenteuil): I did not say they did.

Mr. STEVENS: No, you bet they did not.

Mr. STEWART (Argenteuil): But that happens to be in this year's accounting. My hon. friend passed some very severe strictures upon the government and upon the officials who had charge of the accounting and upon the gentlemen who audited the accounts.

Mr. STEVENS: No, my hon. friend is wrong.

Some hon. MEMBERS: Order, order.

Mr. STEVENS: I have a right to make an explanation. I never reflected upon the gentlemen who audited the accounts. I said they never audited the accounts, and the certificate does not say they did. All they say is that they compared this year's balance

sheet with the previous one, and its form is the same. It is a meaningless certificate.

Mr. STEWART (Argenteuil): My hon. friend said all that this afternoon and something more. There has been no change in the system of accounting, as I pointed out clearly.

Mr. MEIGHEN: A change in the effect of it.

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: A change in the application of the money.

Mr. STEWART (Argenteuil): Not at all.

Mr. LAPOINTE: A meaningless criticism.

Mr. STEWART (Argenteuil): Another matter which my hon. friend from Vancouver Centre dealt with this afternoon was the sales tax reduction, pointing out that it occurred because of the deflated condition of business in the country. He did not mention that last year there was a reduction in the sales tax estimated at almost twenty-four million dollars. We anticipated that in the beginning of the year. I am willing to admit a certain reduction, but I want to point out clearly that that did not come about because of the reduction in the tariff, nor because we happened to have a moderate tariff in Canada, as against the highly protective tariff in the United States which my hon. friends are always holding up as an example to be emulated by the Canadian people. The lessened taxation accounts in a very large measure for the reduction. The hon. member for Brandon (Mr. Forke) and the ex-Minister of Finance (Sir Henry Drayton) both regret the fact of there being no reduction in taxation. Their amendments state that specifically. I want to point out to those hon. gentlemen that we have made a very material reduction in taxation all along the line, and that to-day we are collecting less revenue than was collected in 1920.

I wish to deal with this matter for a moment or two. The uncontrollable and the controllable expenditure of the country was as follows:

	Uncontrollable	Controllable
1911..	$31,234,857	$ 90,422,977
1914..	51,696,661	133,172,958

I will just give the round figures, and I am not going to quote any war years, because I virtually said in this House that I never raised my voice in criticism of the administration during the war years. I have heard it severely criticized, but I was not here and know nothing about it, and I am not going to refer to it.

[Mr. Stevens.]

The expenditure for the following years was as follows:

	Uncontrollable	Controllable
1921..	$256,145,252	$162,475,292
1922..	222,618,240	143,083,550
1923..	223,189,751	127,418,795
1924..	215,000,796	129,020,991

When hon. members complain that there has been no reduction in the cost of running the country they must remember that $215,000,000 must be raised from the taxpayers of this country, over which this government have no more control than hon. members opposite. I think that is a fair statement to make.

Mr. MEIGHEN: Would the minister mention the items making up the $215,000,000?

Mr. STEWART (Argenteuil): No, I have not got them but I think my hon. friend will not dispute the items.

Mr. MEIGHEN: In the United States they have managed to control a great many of those items.

Mr. STEWART (Argenteuil): We are reducing just as fast as we can. These are mostly war expenditures—not all of them, but a very large proportion—and it may be a just and equitable criticism for my hon. friend to say that we are spending too much money as a result of the aftermath of the war and that we are not curtailing quickly enough in our expenditure. I am not going to say as to that. Perhaps the Minister of Soldiers' Civil Re-establishment (Mr. Beland) could answer that question very much better than I could, but I say that this sum is made up of what is uncontrollable expenditure, and it is made up by the same gentleman who makes up the public accounts of the country and who has been making them up for the past seven or eight years to the knowledge of hon. gentlemen in this House. They are exactly the same items that are contained in the expenditures of 1914 or 1911 that I have quoted for the information of the House. The charge that we have not reduced taxation and that we are not running the country economically is surely answered in its entirety when I say that we are running the country more cheaply, as far as controllable expenditure is concerned, than the government did in 1914, the year previous to the war. No sensible or sane man will argue that the country has not grown and that the public service of the country does not require more money to run it. That statement cannot be successfully controverted and I hope the controllable expenditure will continue to rise. Indeed I am bound to say that I believe it would lend encouragement to the people were the government to spend

more money; but we have been economical in administration. We have cut down expenses to such an extent—I see my hon. friend smiling; I do not know that he was a member of the government in 1914, but I know that he will not argue that the service of the country required more money and more controllable expenditure in 1914 than in 1924. We have cut and cut to the core, and I want it to go out to the country that that is what the government has done and is going to do all the time. We may be a moribund government; we may be guilty of misstatements, as the hon. member said this afternoon, but these are uncontrovertible facts that I commend to his attention and to that of hon. gentlemen opposite when they are criticizing this government in its administration of the country.

I want to deal for a moment or two with the vexed question of unemployment—unemployment in Canada and unemployment in the United States.

Mr. HANSON: Where?

Mr. STEWART (Argenteuil): If my hon. friend wants to know where, let him go to the state of Massachusetts which is, perhaps, the most densely populated state of the union, and where there is possibly more employment in the way of manufacturing pursuits than in any other state. Am I wrong in making that statement? What is the ratio between Canada and Massachusetts as regards employment? Does my hon. friend know that in Massachusetts to-day there are people who wish to emigrate to Canada, who are out of work, and that in a highly protected country like the United States? If he does not know that, he can get that information very quickly. There are more men walking the streets in the large manufacturing communities of Massachusetts and the central part of New York state than there are in Canada to-day. What do the employment figures show? I am not going into details because I do not want to deal with the question at any great length. Is it not striking that hon. gentlemen opposite are continually preaching to us about unemployment? Since January 1, 20,000 people have been added to the payrolls of Canada, according to the Bureau of Statistics. These people have gone, not into the logging camps, nor on to the farms, but into the manufacturing industries of Canada. My hon. friends are fond of talking about the exodus to the United States. During last year 41,000 Canadians who had been in the United States for six months and over returned to Canada. Are these figures worth while considering?

Mr. STEVENS: How many went south?

Mr. STEWART (Argenteuil): I have not the figures. I heard the leader of the opposition speak of almost 100,000.

Mr. MEIGHEN: The minister never heard me say that.

Mr. STEWART (Argenteuil): Then I will take it back.

Mr. MEIGHEN: The number is twice that.

Mr. STEWART (Argenteuil): It is growing.

Mr. HANSON: How many people left Canada in January according to the government reports?

Mr. STEWART (Argenteuil): A great many visitors go to Florida in January.

Mr. HANSON: Over 9,000 people left this country in January to locate permanently in the United States.

Mr. STEWART (Argenteuil): As regards the index figures of employment in the United States, based on January, 1920, as 100 per cent, I have gone carefully into the matter and I have been somewhat astounded at the results that are shown. The index figure shows 80.4 per cent, a reduction of 19.6 per cent from normal employment throughout the whole of the United States, while the index figure for Canada shows 80 per cent at the end of February this year. These figures are not so very far apart for a country so highly protected as the United States, where nobody is out of employment, but where everybody is happy, having a full dinner pail and sufficient to buy stockings for the children about which my hon. friend was complaining this afternoon. These are figures one cannot pass very well without comment. I have heard my hon. friends opposite refer frequently to the optimism of Sir Henry Thornton. I am not going to refer to anything he has said in an optimistic way, but I want to refer to one thing that he has said because it affects the hon. member for Fort William and Rainy River (Mr. Manion). Sir Henry Thornton, in making the financial statement which was published by the Montreal Gazette, which is a good Conservative paper, one not liable to quote any statements that are not reliable as regards business conditions, said that from Fort William eastward along the line of the Canadian National Railways in 1923, 112 new businesses were established, and in 1924, 200 odd. My hon. friend said this afternoon that something like 2,200 had gone out of

business. I want to tell him about some that have gone into business, and those 200 odd manufacturing institutions established in 1924 along the line of the Canadian National Railways employ 8,000 persons. I give that for the benefit of the hon. member for Fort William and Rainy River.

Mr. MANION: There is a great deal of unemployment in Fort William, and if the minister would give me a list of these places, I shall be glad to send it to Fort William.

Mr. STEWART (Argenteuil): I shall be glad to furnish my hon. friend with a list of those places.

Mr. MANION: A number of businesses in Fort William have gone out of business and we can supply those plants with men.

Mr. STEWART (Argenteuil): My hon friend said that we were going to ruin the implement business. What has happened to the Massey Harris Company this year? I do not know where they get the money; perhaps the hon. member for West Toronto (Mr. Hocken) will know; but for some unaccountable reason during 1924, that disastrous year, for the first time in four or five years they paid a dividend of $68,000.

Mr. SPENCE: They did not make it out of the business, for they did nothing. They are not doing half the business they used to do.

Mr. STEWART (Argenteuil): I have the greatest respect for my hon. friend, and I said I do not know where they got the money. They are anxious just now to secure some of the money they lost in Germany, but they did not get it from there.

Mr. CHAPLIN: Did they pay a dividend?

Mr. STEWART (Argenteuil): All I know is that that is the statement of the Massey Harris Company.

Mr. MEIGHEN: Not a cent.

Mr. SPENCE: They used to employ 4,000 people. To-day they are employing about 1,000, or 1,500 at the outside. I live near there and I know.

Mr. MEIGHEN: Did the minister observe in their statement that they had bought all the stock of the Batavia company which stock had risen to par?

Mr. STEWART (Argenteuil): I quite believe that.

Mr. MEIGHEN: That is where they got the money.

[Mr. C. A. Stewart.]

Mr. STEWART (Argenteuil): They got the money from Batavia and paid the dividends?

Mr. MEIGHEN: No, they own the stock. They found it profitable to buy the stock in the Batavia company at New York and the stock had risen to par adding to the assets and profits of the Canadian concern. They paid no dividend at all.

Mr. GRAHAM: They must have had some money to buy the stock.

Mr. STEWART (Argenteuil): I did not notice that the International Harvester Company, which is perhaps the best barometer of business conditions as regards industrial employment in the United States, were paying extensive dividends.

Mr. MEIGHEN: Did the minister notice that in the Massey-Harris report it was stated that Canadian business was 60 per cent last year of the year before.

Mr. STEWART (Argenteuil): No, I did not notice that.

Mr. MEIGHEN: It is important.

Mr. STEWART (Argenteuil): I am glad my hon. friend noticed the $68,000 because I thought that would be contradicted too. But this is a fair example of the arguments that are made in regard to this tale of woe which we hear from hon. gentlemen opposite as a result of the reduction in protection that has been inaugurated by this government. I was considerably interested in the speech of my hon. friend from Northumberland (Mr. Snowball) this afternoon, who gave us some ancient history. I want to refer to conditions that existed in this country in years gone by inasmuch as they were mentioned by the hon. member for West Toronto (Mr. Hocken) the other night in his speech. The hon. gentleman is not in his seat at the moment but he agreed the other day with what I said in this regard and I promised at the time that I would say something more about those conditions when I had an opportunity in this debate. During the period in which we enjoyed the highest protection that Canada has ever witnessed, that is to say, from 1888 to 1894, we saw the hardest times in this country which the people of Canada have ever experienced—times indeed such as I trust will never recur. My right hon. friend smiles.

Mr. MEIGHEN: Yes.

Mr. STEWART (Argenteuil): Well, he was in school in those days but a few of us old fellows still remember that period. Personally,

I recall those days with very distinct regret inasmuch as I lost any little money I did have up to that time. I sold pork dressed taken to the market in the town of Barrie for $4; I sold my wheat at 60 cents a bushel, my peas at 50 cents, and I sold three-year-old steers at $19 a head, and then I almost had to beg the butcher to take them. And my hon. friend from Northumberland this afternoon depicted exactly the same conditions as existing in the old province of New Brunswick in former days; he pointed out precisely the same thing. The other night I brought to the attention of the hon. member for West Toronto when he was speaking that in those days one could see on a visit to Toronto a line of men marching down Yonge street on their way to the parliament buildings and the city hall to ask for bread or work. Perhaps my hon. friend from Parkdale (Mr. Spence) will also remember those occasions; although he is not as old as I, his memory I think will carry him back pretty well to similar conditions. Now I mention this because it has a bearing on what hon. gentlemen opposite are always preaching, that is, that the panacea for all our ills is increased protection with a view to increasing manufactures and so providing employment. Well, protection did not bring about any such result at that time, and I know of no country in the world, nor can any hon. gentlemen opposite point to one, where protection can be carried on to better advantage than in the United States. That country does not export more than 8 per cent of all its products; except for that small quantity it consumes practically all its output, with a population of 120,000,000. But hon. gentlemen must remember that the United States enjoys climatic conditions which Canada does not; and I will venture the assertion that the position would be different here if it were not for our seasonal employment. In the building trades, in every outdoor work, in railway construction and maintenance and in a dozen different industries, in agriculture, where the men are thrown out of work for three or four months, there is bound to be unemployment during a part of the year. Such is not the case in the United States, nor can that country be compared to Canada in that respect. But after all are the people there any more happy than Canadians, or are they doing any better in the United States than the people are in Canada? Are conditions any better to-day in that country? Let me give one more example. The ex-Minister of Finance (Sir Henry Drayton) the other day, speaking of the railway situation, said: There is unemployment on the railways, and there has been a reduction in traffic, the true barometer of the business condition of the country. But while there have been reductions in the Canadian National Railways' net earnings

9 p.m.

the hon. gentleman forgot to mention that the reductions in the net earnings of the Canadian system had been twice as much on the American side as in Canada.

Mr. MEIGHEN: But the year before the increase in the earnings on the American side was several times what it was in Canada. That is why the reduction took place.

Mr. STEWART (Argenteuil): My hon. friend is always talking about the year 1924.

Mr. MEIGHEN: As compared with 1923.

Mr. STEWART (Argenteuil): Hon. gentlemen make the heavens ring with their denunciation of the wrongdoings of this government, whose policy they want the country to believe is bringing destruction to Canada. But I have shown conclusively that the United States is not the paradise hon. gentlemen paint it; it is not in the happy condition they would have us believe; and high protection there cannot prevent deflation. Indeed, they suffer from this in the United States practically to the same extent as we do in Canada, and the tariff has nothing to do with it. I agree with the statement of the hon. member for West Toronto, in answer to a remark of mine with respect to the condition of the country in 1893, that it was not a result of the tariff; it could not be attributed to that source but followed naturally a period of inflation. Let me say to hon. gentlemen opposite that protection will always bring inflation, over-capitalization and over-industrialization in any country whatever; and deflation will ensue as surely as night follows day.

Mr. STEVENS: The hon. gentleman says that protection always brings inflation.

Mr. STEWART (Argenteuil): Yes.

Mr. STEVENS: Will he say that the inflation that took place in all European countries during the last ten years was due to protection rather than to war conditions? Further, was protection the policy in those large European countries before the war?

Mr. STEWART (Argenteuil): I am not going to discuss the European countries but I will take the statement of the ex-Minister of Finance who the other day told us that

France was in the happiest condition of any country in the world by reason of the fact that she was highly protected and could therefore make splendid progress. He said that over 800,000 houses had to be reconstructed in France as a result of the war. Well, he could have gone on to tell us that millions upon millions of dollars had to be invested in France for the rehabilitation of the country. Undoubtedly that was true.

Sir HENRY DRAYTON: Should we have been better off in this country if we had had all our houses and factories destroyed?

Mr. STEWART (Argenteuil): Certainly not.

Sir HENRY DRAYTON: Then let me tell my hon. friend that the work was done almost entirely by the first of January 1924 and the men are all working now in the factories they built.

Mr. STEWART (Argenteuil): When the war ended, so far as Canada was concerned, we enjoyed for a period of a year or two considerable prosperity. Why was that? Because we were engaged in the re-establishment of civilian life, and that is why we had employment to such a marked degree at that time. And my hon friends did perfectly right to encourage it; in every province it was the same.

Mr. DUFF: And the very reason for building the Canadian merchant marine was to provide employment.

Mr. STEWART (Argenteuil): Throughout the length and breadth of the country the population was changing its labour from the making of war material to the manufacturing of depleted civilian supplies. That was what made us prosperous for a year or two after the war, and to the same fact we must attribute in large measure the prosperity at present enjoyed in France. Now, I have no quarrel with that; but undoubtedly such is the case. My hon. friend however is arguing that because of protection France is prosperous, whereas the condition that exists there at the present time is due to the fact I have stated. I have dealt with the United States. I think it is a fair assertion to make and a fair assumption to arrive at with respect to conditions in France.

Mr. SHAW: How could the hon. minister expect much unemployment in France with approximately one million men in the army?

Mr. STEWART (Argenteuil): Of course, that would help a great deal. My hon. friend (Mr. Stevens) this afternoon dealt with our adverse balance of trade with the United States, and while he was rather careful not to stress too much the question of protection, he did say that until we were in a position to pay the interest charges on the financial investments of American citizens in Canada by our trade with the United States, so long would we go on piling up the mortgage indebtedness that was being placed upon us by them. Well, complaint is constantly being made that we are allowing our raw materials to go to the United States in the shape of pulp, wheat and other products that might be manufactured in their entirety in Canada. So far as the pulp business is concerned, I think the situation will cure itself rapidly. If my information is correct, we are going to have two large mills established by American interests in the vicinity of this city, and efforts are being made for the manufacture of the product in Winnipeg, so that more and more we will be manufacturing our pulp supply. But that has nothing to do with the issue raised by my hon. friend. He would, as I take it, increase the tariff, he would manufacture more than ever, and he would ship the finished product into the United States. At once the question arises in my mind, if our neighbours to the south are such horrible sinners that invariably when they find a manufactured product coming into their country they raise the tariff against it, how in the world is my hon. friend going to increase our export trade with our neighbours by manufacturing these raw materials?

Mr. STEVENS: My hon. friend did not get my point correctly. I said that I would so frame our fiscal policy as to divert a substantial portion of the purchases now made in the United States either to goods manufactured in Canada or in Great Britain and on the continent.

Mr. STEWART (Argenteuil): My hon friend's contention, I take it, was that we export to the United States large quantities of our raw materials that we should manufacture ourselves.

Mr. STEVENS: My hon. friend has not got me correctly.

Mr. STEWART (Argenteuil): My hon. friend said: We will reduce our manufactured imports from the United States and increase our manufactured exports to them. Does he expect the United States to be more generous than they have been in the past? I have not noticed any generosity on the part of our American friends in matters of trade. But I am not concerned whether they are generous or not.

Mr. STEVENS: Neither am I.

Mr. STEWART (Argenteuil): The problem we are concerned with is how we can manage our own affairs in the best interests of the Canadian people, let them raise the tariff as high as they please in the United States. But my hon. friend will not cure the difficulty. If that is his solution for preventing the Americans taking a mortgage on this country, then I fear that in the way he stated it this afternoon, it will not be effective to any very appreciable degree at all events. Do we not want American investments in Canada? If we are going to succeed, shall we not require millions of dollars to develop our natural resources? They cannot be allowed to lie undeveloped. The money must come from somewhere, and I would be pleased, indeed delighted, if all of it were to come from the Old Land, but I do not believe we can expect this, although I think we may expect English capital in increasing volume. Needless to say, we cannot expect it at the rate we hope if we are to succeed in the development of our resources. Then if this argument for protection is not going to help us in that direction, I fail to see how it will help at all. I am not going to raise any wail about the agriculturists of Canada. I think in days gone by hon. gentlemen opposite have said some rather harsh things about conditions in the Dominion and the inactivity of this government because we did not reduce the tariff to help 50 per cent of our population engaged on the farms. Undoubtedly Canada is a desperately hard country to govern. I think everyone who has had a turn at the job will admit that. In central Canada we have a group of men who are engaged very largely in manufacturing, or at least who make the most noise about it and say, "We want protection." Not protection in a moderate degree, not protection that will put them on an equality, as they fondly remark, with their fellows in other countries, but protection that will give them special privileges. That is the demand throughout this part of the Dominion. But I cannot believe that their view is shared by a very large proportion of the people in eastern Canada. Then in the Maritimes the people are very much in the same position as they are in western Canada. My hon. friend from Northumberland (Mr. Snowball) quoted this afternoon a statement made by an ex-minister, Mr. McCurdy, who sat with the right hon. leader of the opposition in the government over which he had the honour to preside, that he did not believe a policy of protection was in the best interests of the people of Canada. So I think I am safe in assuming that the people of the Maritime provinces are a unit with the people of western Canada in desiring that we have at least only a moderate tariff for the benefit of Canadian industries.

It has been stated, Mr. Speaker, that I am an out-and-out free trader. If I ever entertained that idea I had to give it up during the war. I well realize that we cannot have free trade in Canada, I think I have stated that on more than one occasion since I came to this House, but I have been depicted as one member of this government who would wish to destroy every vestige of the tariff in order to bring about free trade. I never made any such statement; I do not make it now; but I most emphatically say I do not believe that adequate protection, or high protection, that our hon. friends are so fond of demanding, is either necessary or in the best interests of the country.

Mr. MEIGHEN: Does the hon. gentleman believe in protection at all?

Mr. STEWART (Argenteuil): Not if you define protection as "adequate protection." I believe in a tariff for revenue because I conceive that we cannot change conditions in this country.

Mr. MEIGHEN: Does the hon. gentleman believe in inadequate protection?

Mr. STEWART (Argenteuil): There is no such thing. "The animal does not exist."

Mr. MEIGHEN: Does he believe in protection at all? Does he want it continued in Canada?

Mr. STEWART (Argenteuil): Not as protection.

Mr. STEVENS: You want it disguised?

Mr. STEWART (Argenteuil): No, I do not want it disguised. That is where my hon. friends become absolutely ridiculous at times. There are only two things in their opinion. One is protection, as they call it. Whether it is a tariff for revenue or high or low protection, it is protection. The other is free trade. That is the argument they like to present, and that is what they would wish to mislead the public with.

Mr. MEIGHEN: Will the hon. gentleman explain why the government is increasing the duty on slack coal? Is that just for revenue?

Mr. STEWART (Argenteuil): Partly, yes.

Mr. MEIGHEN: What is the rest?

Mr. STEWART (Argenteuil): Mr. Speaker, I have tried to depict the difference between hon. gentlemen opposite and ourselves in respect to this matter. We are not going to jeopardize industries in this country. We carefully surveyed the whole field last year, and we did no injury to industry. What we did last year had the result of reducing prices on farm implements to the agricultural community, and the reductions then made did no injury to the business which they affected. Hon. gentlemen opposite have said: It is not what you have done, because you have not done anything—

Mr. MEIGHEN: Oh no.

Mr. STEWART (Argenteuil): If that is not a fair statement of what hon. gentlemen opposite have said, my hearing must be very defective. It is not what you have done, they say, because you have done nothing, but what you are going to do, and that man Stewart from western Canada is the biggest sinner of the lot; watch out for him! That is what has been said by hon. gentlemen opposite on more than one occasion; it has been said from platforms in this country. I want to say here and now that I do not wish to touch the tariff upon any industry until I know beyond any question of doubt that I am not going to do injury to that industry.

Mr. MEIGHEN: Is not that protection?

Mr. STEWART (Argenteuil): No, it is not.

Mr. MEIGHEN: What is it?

Mr. STEWART (Argenteuil): It is simply allowing an industry to get started and get under way.

Mr. MEIGHEN: By the tariff.

Mr. STEWART (Argenteuil): Not by imposing a tariff, for the tariffs are in existence already. My hon. friend would like to lead me away from the question I was attempting to discuss.

Mr. MEIGHEN: Oh no. Keep right on.

Mr. STEWART (Argenteuil): Yes, he would. He would be glad to lead me away from this question. What I was talking about was the tariffs that were in existence, and that have been in existence. I was not talking of tariffs on new industries, but of the tariffs in existence to-day. I made a plain statement. So far as I am concerned, I have been asking for the board that is to be established, in order that I and other members of this House might have full information as to the conditions of the manufacturing industries in this country, so that we might know absolutely what we were doing before we attempted tariff revision of any sort—usually downward, I admit, because the record of this government has been that ninety-nine and one-half per cent of its tariff revision has been downward. My hon. friend from Northumberland (Mr. Snowball) gave a list of articles this afternoon on which the tariff has been reduced; it will appear in Hansard, and I commend it to the consideration of hon. gentlemen who have been complaining that we have not given sufficient reductions in the tariff and that we have not made sufficient reductions in taxation. That is the answer that I desire to make to the members of this House and to the country.

Mr. GOULD: Would the minister kindly define what the phrase "the death knell of protection" means?

Mr. STEWART (Argenteuil): Yes, I shall be glad to do that. The death knell of protection has been heralded from every platform in every election in this country.

Mr. STEVENS: Do not forget where it originated.

Mr. STEWART (Argenteuil): I am not forgetting that, but hon. gentlemen have used the phrase not for the purpose of commending the government of this country.

Mr. STEVENS: No chance.

Mr. STEWART (Argenteuil): Nor for the purpose of commending the hon. gentleman who first used the phrase. They have used it in the hope that they could lead people to believe we had wreckers here in this government who would pay no attention to the industries of this country at all, and who had no thought whatever for the capital invested in those industries. That is the purpose for which the phrase has been used by hon. gentlemen opposite, but it did not have the desired result.

Mr. STEVENS: Did not the minister last year in the budget debate declare that the substantial reductions made last year were simply a movement in the direction the government was taking, and that it sounded the death knell of protection?

Mr. STEWART (Argenteuil): My hon. friend is probably fairly correct, yes. It did indicate the direction in which we were moving. I have never denied that, and I want to repeat now what I have said before, so that my hon. friend will not forget it, and so that hon. members of this House will know

exactly where I stand on this question. I do not believe in high protection. I do not like protection of any sort, but there is a condition in Canada that this government or any other government must take into consideration, and this government will have to move with caution, I hope, but always in the right direction.

Mr. STEVENS: What is the right direction?

Mr. STEWART (Argenteuil): Well, I differ with my hon. friend. His right direction is upward.

Mr. MEIGHEN: What is your direction?

Mr. STEWART (Argenteuil): My direction is downward wherever possible. I hope that after this speech there will be no misunderstanding in the minds of hon. gentlemen opposite.

Mr. MEIGHEN: Will the minister answer the hon. member for Assiniboia (Mr. Gould)?

Mr. STEWART (Argenteuil): I answered him.

Mr. MEIGHEN: I did not hear it. Nobody else did.

Mr. LAPOINTE: Mr. Speaker, cannot we have order? I want to listen to my hon. friend's speech, not to the leader of the opposition.

Mr. STEWART (Argenteuil): It will take me just a little longer. I have a few things to say and I am going to say them.

Mr. SPEAKER: I would again draw to the attention of the House that there should be no interruptions. Of course, now and then it is quite natural that an hon. member should ask of the gentleman who is addressing the House permission to put a question, or ask an explanation of something, but when the interruptions are too frequent, the privilege degenerates into an abuse. I hope the House will let the hon. gentleman continue his speech.

Mr. STEWART (Argenteuil): Mr. Speaker, I think I have said sufficient to indicate that the country is not in such a deplorable condition as hon. gentlemen opposite would have us believe. I think I have said sufficient to show that the accounting of the country is safe in the hands of the Acting Minister of Finance, and that the accounting reflects the true condition of the railway situation in Canada. I think I have said enough to convince even hon. gentlemen opposite that the panacea for all our ills, be they small or great, is not increased protection.

Now may I speak for a moment on the outlook for the future? We have to remember our situation, our climatic conditions our location upon the North American continent, with a rather small area northward, and a tremendous area east and west, with a population somewhat diverse, and with, I will admit, some difficulties, owing to the fact that markets have been shut off by our neighbours to the south; but I do not admit for a single moment that higher protection would be the cure for that difficulty. We have vast undeveloped natural resources, particularly of coal, and I want to say a word or two on that, because hon. gentlemen are anxious to know what we are going to do about the coal situation.

A great deal has been said about a national coal policy for Canada. For the last couple of years the officers of my department have been devoting some attention to the coal situation in Canada, and if I may be permitted to take a moment or two, I should like to mention a survey that we made last year in connection with coal mining operations in the United States as they affect Canada. We have an abundance of coal, but unfortunately it is situated in the extreme east, in Nova Scotia and New Brunswick, and in the far west, in western Alberta and British Columbia. Throughout the whole area of central Canada no discoveries of coal have been made up to date, and from year to year we have to import in the neighbourhood of twenty-two or twenty-three million tons of coal from the United States. It has been said that in a cold country coal is just as vital to the residents as bread. Having that in mind we thought the first problem to be tackled was that of domestic fuel. I find that year by year we import into Canada about 4,000,000 tons of domestic coal. This hard coal, or anthracite coal, comes into the country as far west as Winnipeg and even into the Maritime provinces. The quantity imported into the Maritime provinces is very small it is true, and the bulk of the imports go into the provinces of Ontario and Quebec. Last year we voted a sum of money for the purpose of assisting in the transportation of domestic coal from the Maritime provinces and western Canada. Owing to the strike nothing was done in western Canada last year, but we do hope, and I am going to ask that a sum be voted again for this purpose, that we shall have a movement of at least fifty or one hundred thousand tons of coal in train lots with full sized cars drawing capacity loads in order to establish a rate upon this coal, and that we shall get it moved during the summer months when the rolling stock is idle and when

it is a slack time in the mines of western Canada. If that coal can be mined for $3.50 a ton, and can be moved eastward at a rate of $6 a ton I think it can go into the territory of North Bay, and the country north of that in Ontario serving the territory from that point westward to the coal fields themselves. I think that this is about all we can expect in the way of an increased market for Alberta coal and I will give you my reasons for that assumption later. But I think that that will possibly mean the movement of a million or a million and a half tons of Canadian coal. Inasmuch as this is a new country in which a great mineral development is going on there will be undoubtedly a large field for Alberta coal if the developments which we expect take place there.

Now let us take the country to the east. No one will deny a difficult situation exists in the mining fields of Nova Scotia and New Brunswick. For some reason or another high costs are prevalent and this with the inaccessibility of the mines to their markets by railways make it difficult for them to meet American competition, the mines in the United States being more conveniently situated and the cost of production lower.

Let me now deal for a moment or two with the American situation. We made a careful investigation of the mining fields of the United States last year and we found that in the Pennsylvania field, in the Illinois field, in the Kentucky field, and in the Virginia field coal is being mined at a cost on the average of $2 per ton. That, of course, does not apply to anthracite coal with which I will deal later. The cost of the railway haul is on the average $3.50 per ton making it possible to bring that coal into Montreal, Toronto and even as far westward as Fort William. This being the case the evolving of a policy that will bring to the consumers in that part of Canada coal from the east to the west and meet the competition of the American mines is rendered very difficult. Furthermore we have discovered that they can mine about 800 million tons of coal a year in the United States, their annual consumption being about 500 million tons. From all that we can discover they have practically an inexhaustible supply, and with the facilities they have they can always supply their own market and have a surplus. I mention these facts because they would indicate that we cannot expect that in the near future at all events the cost of mining will go up in the United States; we can expect that for the next few years the production cost will be about $2 a ton and the railway rate to Canadian points what I have just mentioned. That being the case and there being this importation of 4,000,000 tons of anthracite—which is a very expensive fuel, used by rich and poor alike for the heating of their homes and for cooking purposes almost universally in this acute fuel area—we thought we would devote our attention to the domestic fuel problem, and we began to look into the possibilities of both peat and coke. Something was said the other day about our having discovered a process whereby peat can be manufactured economically and placed upon the market at a reasonable price within a short hauling distance of the point of manufacture. But our attention has been particularly directed to the substitution of coke for anthracite. High grade coke can be manufactured in the Solvay ovens, the by-product oven, to retail for at least $2 a ton less than the rate at which the acute fuel area is now being supplied with coal from the anthracite fields of the United States. So that in making this change we would reduce the fuel cost to the consumer by $2 a ton. There is one difficulty in the way and that is taking care of the by-products. The most prolific by-product is gas and the question arises of the amount of gas that can be consumed in a given locality. It must be borne in mind also that gas has to enter into keen competition with electrical energy that is now being used extensively for cooking, and of course gas must be sold at a reasonable price. But we think we can bring this about. We have had a practical demonstration in the city of Hamilton. The experiment has been in progress for over a year with splendid results. We know now that the production cost will allow the fuel to be sold for $2 or $2.50 a ton less to the consumer than the anthracite product which he has been buying in the past. That will mean a tremendous saving to the people in this area. I intend later on to bring down a bill to assist this project in some measure.

Mr. CARROLL: The minister said the cost of coal production in the United States was $4.

Mr. STEWART (Argenteuil): Not in the United States.

Sir HENRY DRAYTON: The minister said $4.

Mr. STEWART (Argenteuil): I am sorry if I made that statement.

Mr. FORKE: The minister mentioned $2 later on.

Mr. STEWART (Argenteuil): I meant to say that universally over there it was $2. If I mentioned $4 I meant to indicate that was

the cost—even a little more than that, it is nearly $4.50—of production per ton at the Canadian mines. I want to say frankly that I think something should be done, and can be done to reduce that production cost in Canada; it will mean a very extended market for the coal industry in this country. But coming to the situation as it exists, I said something about hoping to establish coking industries in the east—at Montreal, at Quebec, and at other large cities—in order that we might supplant as far as possible the importations of anthracite into the area in question by the substitution of the slack coal of Nova Scotia, which can be coked and makes a high grade product. That is what we hope to accomplish and thereby give to the Nova Scotia mines—in addition to the advantages they will otherwise get—an annual consumption in Canada of at least one and a half millions tons of a product that up to the moment has to go upon the dump very largely.

You will note Mr. Speaker, that there has been coming into Canada since 1921 particularly, an increased quantity of slack coal which is sold at the pit mouth in the United States for about $1 a ton and which makes a very cheap commodity and one which can be landed in Canada at an exceptionally low rate. There have been developments in the grates used in industry for the purpose of burning slack, roller grates having been placed in many of the manufacturing establishments, and no doubt fuel costs have been very largely met by this process. But we have discovered that there has been a tremendous increase in the consumption of slack, and one of the difficulties we have experienced at the border is that of preventing the entry into Ontario and Quebec markets of large quantities of slack that should be listed as run of mine. Consequently we have had a considerable loss of duty on importations of this product, so much so that this coal has penetrated into Winnipeg and westward and taken from the Alberta mines the bituminous markets that formerly at least for a few years, they held. I am bound to say that it has had a rather demoralizing effect both east and west upon the coal fields of Nova Scotia and the coal fields of Alberta. I hope that the increase of this duty will cure this situation and that we will not be troubled at least in the future with the difficulty of ascertaining whether or not a large quantity of this commodity has been coming into Canada paying only fourteen cents duty when it should have paid fifty-three. Three cents is not much of a reduction, but remember the Canadian railways that purchase their coal in the United States will benefit to an extent. Furthermore I wish to say that very careful investigation was made with respect to this particular increase and its effect upon the manufacturers, and I think I can assure the House that not one-fifth of one per cent will be added to the overhead by the increased duty even upon manufacturing industries using slack coal in its entirety. So that no particular harm will be done, but it will increase the market for the coal fields east and west, and thereby assist an industry which has been having a rather difficult time. It is true the duties are not always responsible for these difficulties. Strikes have been prevalent on these properties. We had a strike in Alberta during the whole of last summer and a strike is in process in Nova Scotia at the present time, and these strikes have a very demoralizing effect upon the coal industry. But I say—and I want to emphasize the point—that in some way or other there must be a reduction in mining costs both east and west in order that the operators may place their commodity on the market at a more reasonable price than they have been able to do in the past, I do not think they can complain very much about the railway rates.

Mr. MILNE: I notice by the press that the railway companies of the United States have contemplated a reduction of fifty cents a ton in freight. Has the minister heard anything of that?

Mr. STEWART (Argenteuil): I also noticed that statement. It was stated that it was in order to meet the increased duty, but so far no notification has gone out of any decrease, and I doubt if there will be any decrease for the very good reason that they are hauling coal as one of the cheapest commodities they move in the United States. Freight rates in the United States are somewhat higher than in Canada, but that is not true of the coal movement. I can give my hon. friend the figures, but I do not wish to detain the House longer in connection with the matter. It will be discussed at greater length when the bill is brought down.

In conclusion I do not see that we need have any gloomy forebodings of the future of Canada. In agriculture we have simply touched the fringe of things. I should like to make a brief statement in that connection. Referring to farm lands for example, as nearly as we can estimate we have about three hundred million acres of good farm land, suitable for agriculture and grazing.

The improved farm lands used for agricultural purposes do not aggregate more than sixty million acres. In agriculture there is room for tremendous expansion; we must have more than fifty per cent of our population engaged in that industry and I hope that ratio will always be maintained. A great deal has been said about the home market. No matter how rapidly that market will increase, it will not help the man upon the land to any appreciable extent because his price for the next decade or two upon the main articles of production will be fixed not in Canada, but very likely in Great Britain.

Mr. LADNER: Do those figures include all farm lands?

Mr. STEWART (Argenteuil): Those are all the farm lands of Canada. I mention that in order to show the possibilities of the tremendous expansion in this particular respect.

Something has been said about the water powers and I should have mentioned the question. My hon. friend from Vancouver Centre referred to that subject this afternoon. He said the imposition of an export tax on electric power meant but one thing in his estimation, namely that we intended to encourage the export of power. So far as I am concerned, Mr. Speaker, in my department, and so far as I am concerned as a member of this government, I have never heard anything of the kind; rather to the contrary. There is a law upon the statute book at the moment authorizing us to issue licenses for only one year, and so far as I can ascertain that is all that the government intend to do in that direction. Whatever their intention may be, as a member of the government I have not heard of any change of policy. What I do say is that notwithstanding the fact that we have only developed to the extent of three million odd horsepower out of a possible development of forty-one million horsepower, I think it is good business to keep the cheap power in Canada for the development of Canadian industry, and I see no objection, and my hon. friend opposite sees no objection, to the imposition of an export duty. They all have their peak loads and that is what they are exporting at the present moment to a large degree. I see my hon. friend opposite shaking his head. I believe the Hydro Electric Commission at Niagara have a long contract for the export of power, but I do not know of any other case. I was making inquiry as to that, and so far as I know there is only the one contract. I think that as one means of assisting the development of power we are entitled to an export tax on the power which goes out, to assist in the development of industries which will come into competition with our own. So that we have tremendous possibilities for developing this power, and there too do we not need the capital for Canada? We will find the capital in Canada for the development. We can point with some pride to the fact that eighty per cent of the debt of Canada is owed to the people of Canada, and the interest goes to the people of Canada. But we will need that money and additional millions of money for the development of water power alone in Canada, for the development of agriculture and for the development of our mining and fishing industries.

On the authority of the best mining authorities in Canada the statement is made that we are only at the beginning of things so far as mining is concerned, that there are immense possibilities in mining, that the development in the next few years will be phenomenal, that the eyes of the world are turned towards Canada, and that the increase in mining activities in Ontario and Quebec alone has been unprecedented.

So far as fishing is concerned, in my own province and in Saskatchewan and in the northern waters of Manitoba nothing has been done in the way of fishing development.

Mr. FORKE: Oh, yes.

Mr. STEWART (Argenteuil): My hon. friend is thinking of lake Manitoba. We are talking now of the country away beyond that. Hudson bay is teeming with fish, and what has been done there for the development of the fisheries? I point to these things with a spirit of optimism, in the hope that this gloomy foreboding with respect to the future of Canada is rapidly nearing cessation. Does it look as though we had reached the end of our tether? We are overbuilt in railways. That is quite true, but we have the necessary natural ressources to warrant the building of every one of these railways. All we need is the people to come in and assist us in developing. That is what is required in Canada.

Referring to our forest resources, perhaps we cannot be so optimistic, but I want to say that we must change the situation with respect to the destructive forces as they affect our forestry situation in Canada, in order that we may catch up with the depletion of the forests; in other words that we must grow annually as much as we cut. I should like to undertake, if it is at all possible, the establishment, in my hon. friend's province of Manitoba, of a plant that will manufacture

pulp and that will be under restriction to cut in such a way that after they have cut over the territory, they can begin again where they started and have a sufficient growth to carry on for an unlimited time in a forest that will be set aside for that purpose.

These are some of the facts that I wish to bring to the attention of hon. members. I have spoken at greater length than I intended. I have tried to point out to hon. gentlemen opposite that the picture they have painted is not the picture that should be painted of Canadian industry or agriculture, but rather that we in Canada are suffering only in common with the United States, Great Britain and the continent; that we are going through exactly the same experience. I wish to point out the fallacy that hon. gentlemen hold up to this House and the country, that a change in the tariff, high protection, will be the panacea and cure for all our ills. Upon that statement I rest content, leaving it to the judgment of the country and of the House.

Mr. M. C. SENN (Haldimand): Mr. Speaker, I wish to state very briefly my reasons for participating in this debate on the budget proposals which have been brought down by the Acting Minister of Finance (Mr. Robb). May I add my congratulations to those that have already been extended to him on the able and concise way in which he delivered his address to the House? I cannot, however, extend my congratulations any further. I am afraid that the government have failed to gauge public opinion correctly and to realize the needs of the country respecting economy and tariff adjustments. These proposals which are before the House at the present time are certainly not affording relief to industry which has been suffering from high taxation and which requires the help of protection. On the other hand, the statement made by the leader of the Progressive party (Mr. Forke) the other night proved clearly that those who are looking for further reductions in the tariff are not satisfied either. The unfortunate part of the whole situation is this, that the people of Canada look in vain for any measure of relief for the unfavourable conditions under which they are labouring, conditions which have, in a large measure, been brought about by the ineffective policy of the present government.

I listened with a good deal of attention and interest to the address just delivered by the Minister of the Interior (Mr. Stewart). He made a very serious attempt to prove that there is no cause for alarm and that Canada is prosperous, at least to a certain extent. But he will have a good deal of trouble in convincing the people of Canada of that. Wherever you go you will hear the people asking: What is the matter with Canada anyway? Why are we not prosperous? Why is there so much unemployment and hard times? It cannot avail for the government to shut their eyes to this situation and to sit quietly by without attempting to do anything to relieve it. There are plenty of indications of the lack of prosperity and of hard times. Let me indicate to the House a few which are apparent to everyone and about which there can be very little dispute. There has been enough talk in this House of unemployment to convince everyone that there is a certain amount of unemployment, altogether too much of it, in the country. Again, there has been a good deal of talk already in this session in regard to emigration. Everybody will admit that the number of people who are leaving the country is alarming. Again, we have closed factories, running up into the hundreds, and even into the thousands. We have business failures; we have vacant houses; we have railway deficits; we have decreased revenue such as was spoken of by the Acting Minister of Finance. By no means the least alarming of all these conditions is the lack of confidence which is being displayed by industry, and no amount of talk on the part of members of the government, no amount of statistics such as were given to the House by the Prime Minister during his speech on the Address, will serve to convince the people that Canada is in a prosperous condition. The people who have these conditions constantly before them will be led to contrast the statement of Liberal policy which is outlined in the budget address with the progressive and constructive policy embodied in the resolution that stands on the order paper in the name of the leader of the opposition (Mr. Meighen). That resolution specifies the urgent need for immediate tariff revision, and I am one of those who believes that the protective principle should be applied in any such revision. Customs duties which were adequate twenty years ago are not so to-day. I do not believe in a little dabbling here and there with the tariff, raising the duty a little on coal, making the duty a little lower on some other commodity and so on. That is not what should be done at all. We should have a scientific revision of the whole schedule of tariff rates. When I speak about a revision of tariff rates, I do not mean that in every case the revision should be in an upward

direction. There are some instances in which the revision might be downward and yet afford the necessary protection to allow those industries to exist.

Speaking however, about downward revision of the tariff, one cannot help wondering at the attitude of hon. members to the left of us this session. During the three sessions of parliament which have preceded this one, they made constant and effective attempts towards tariff reduction, and the government were compelled to accede to their demands because they needed Progressive support. But since the beginning of this session I have wondered why the Progressive party have not urged for any further tariff reduction and why they did not take a greater part in the debate on the Address. If they had made those demands during the debate on the Address, I am convinced the government would have been forced to concede them some further tariff reductions. It would appear, however, that they accepted the mandate of the Prime Minister, when he spoke in Toronto, that there would be no further tariff reductions this session. They seem to be making a gesture in the other direction at the present time, but the meekness with which they accepted that mandate would serve to convey to the House one of two things, either that their attitude on the tariff question is changing, or that there is some kind of an understanding between the two parties.

It is true that there have been one or two free-trade speeches from members of the Progressive group during this session. The hon. member for Saskatoon (Mr. Evans) made a free-trade speech during the debate on the Address. Amongst other things he mentioned the inferior quality of goods that were produced by a certain glass company situated in Hamilton that has had to go out of business. He also said that other industries were demanding higher protection because they were lying down on the quality of their goods. I wonder if he meant to convey to the House the impression that the United Farmers of Quebec, in their demand for protection for certain of their commodities, are producing an inferior quality of farm products. I have before me the report of the annual meeting of the Ontario Vegetable Growers' Association at which there was passed a resolution asking for higher protection on vegetables and some other farm commodities. I wonder if the hon. gentleman meant to suggest that they were lying down on the quality of their product. Then we have the woollen and knitted goods industry which has suffered severely as a result of the increase in the British preference and because of the French treaty. I want to deny most emphatically the imputation that the product of our woollen and knitted goods factories is inferior to the product of mills of a similar character elsewhere. It is true they do need protection but they need it for an entirely different reason which I shall attempt to make clear to the House later on.

I want to deal for a few moments with the need of protection, from two standpoints particularly, first from the standpoint of agriculture, and secondly from the standpoint of the woollen and knitted goods industry which I believe is more closely allied to agriculture than any other industry, because of the fact that its raw material is an agricultural product. If proof is required of the urgent need of tariff revision in agricultural products it should only be necessary to compare the Canadian tariff schedule with that of the United States. A year or two ago I made a comparison in the House in that very respect showing clearly that on almost every line of farm products the American commodities can enter this country at a much lower rate than is enjoyed by Canadian goods going into the United States. I have heard different members of the House, particularly to my left and sometimes across the way, make the statement that the farmer cannot be protected. I think my hon. friend from Mackenzie (Mr. Campbell) made that statement the other night. I cannot agree with that contention at all.

I believe that the farmer can be benefited by a proper protective policy in two ways: First, the protective policy should be such as to create confidence on the part of industries, which give employment to our consuming population, and by so doing help to create and maintain a large home market; secondly, if that policy is to be effective our home market must be protected from undue competition on the part of foreign products by imposing adequate duties on all classes of farm products.

By way of illustrating my first argument let me refer to the discussion which has taken place in the House as to the number of people who have left Canada during the past three years. No one will deny that the number is so large as to be alarming. The right hon. leader of the opposition (Mr. Meighen) proved to the satisfaction of the House the other day that a conservative estimate of the number would be approximately 600,000 people. I have with me copy of a bulletin issued by the Department of Labour, called Prices in Canada. On page 22 of that bulletin may be found a weekly family budget. I have made from that statement a list of commodities and the prices of those commodities,

such as are produced from Canadian farms, and I find that the average cost per person amounts to something like $1.66 per week. If these 600,000 people could have been retained in Canada by a wise protective policy they would have consumed at this rate something like $5,179,200 worth of agricultural products per year, or it would have meant they would have consumed $130 worth of products from each of 40,000 Canadian farms. Or, to illustrate this in another way, according to official returns which I have with me, we exported last year 13,648,000 pounds of butter. If each of these people had consumed twenty-three pounds in the year, or less than one-half pound per week, we would have had no exportable surplus at all and our home market would have been sufficient to absorb all our products. During the year 1923 we exported nearly 3,000,000 dozens of eggs, while we imported practically the same amount. If these people had been kept in our own country by a wise policy of tariff protection there would have been no need to export any of our eggs. The same effect would be produced to a greater or less extent in all other classes of farm products. Turning to the other side of the question, if tariff rates on farm products were sufficient in many lines, the American product would be kept out of our markets at a time when our prices are such as to allow a measure of profit over the cost of production. This is nowhere more apparent than in the case of fresh fruits and vegetables, butter and eggs and other farm commodities. The American product comes into Canada at a time when prices are particularly high, and the result is that by the time our own product is ready for market, prices are beginning to drop and the Canadian producer gets a less price in his own market than was obtained for the imported produce. If anyone should enjoy the benefits of the best prices it is our own Canadian producer. The 1919 platform of the Liberal party had free food stuffs as one of its planks. This was intended no doubt to appeal to the consuming population of our towns and cities; but free food stuffs cannot benefit people if their earning capacity is lessened by undue competition in their own line of product.

Customs duties which were adequate on farm products twenty years ago, when the prices of those commodities were very low, are not sufficient to-day, and there is some justification for the contention that the tariff discriminates to a certain extent against the Canadian farmer. If, however, the schedule of rates on agricultural products were thoroughly revised to assure adequate protection, I am sure that this contention would be entirely overcome.

The Minister of the Interior (Mr. Stewart, Argenteuil) to-night talked about a tariff for revenue, and I think the subamendment which was moved by the leader of the Progressive party (Mr. Forke) the other night also had reference to the same thing. Now I contend that a protective tariff is also a revenue tariff and to prove that contention I will give a few figures. Let us look at what happened following reductions in the tariff made by the present government particularly in 1922-23. In 1919 our dutiable imports amounted to $526,494,000, while the duty collected was $158,046,000. In 1924, following reductions made by the present government, our dutiable imports rose to $591,142,000, while the duty collected dropped to $124,114,000; showing that while we imported more dutiable goods, the revenue collected was greatly lessened. On the other hand, let us consider similar figures before and after the Fordney tariff came into effect in the United States. In 1920, their dutiable imports totalled $1,985,865,000, while the duty collected was $325,645,000. In 1923, after the Fordney tariff had come into effect, their dutiable imports were reduced to $1,651,110,000, while the revenue collected had increased to $582,764,000, or 75 per cent. This serves to show very clearly, Mr. Speaker, that a protective tariff is also a revenue producing tariff and is the best and most effective way of increasing our revenue from customs duties.

10 p.m.

A few minutes ago I said that the woollen industry was very closely allied to that of agriculture. Canada is a cold country in winter, and every Canadian is interested in the production and manufacture of wool. The estimated annual consumption of wool in Canada is 70,000,000 pounds on a grease basis, or as it comes from the back of the sheep, and that is the way in which the producer is paid for his wool. Our own product in 1924 was approximately 13,000,000 from sheep and lambs. We exported 6,300,000 pounds, or about one-half of this, while we imported 33,000,000 pounds of wool on a grease basis in the form of raw wool, tops, noils, waste and yarn, but we also imported 40,000,000 pounds on a grease basis in the form of woollen goods further manufactured than yarn. There are about 40,000 farmers keeping sheep in Canada, and they find it a very profitable kind of live stock. Anyone who follows the reports of our live stock markets will see that lambs are selling at a price that is uniform and fairly high. Our Canadian wool is also selling at a

much better price than it formerly did. It is said that the annual consumption of wool in the world to-day is 300,000,000 pounds per annum more than pre war consumption, and yet the number of sheep in the world is less than before the war. In a country with a climate like Canada where people must wear wool for comfort, it would seem that wool growing should appeal in a very direct way to agriculture. The tariff schedules are out of date so far as the wool tariff is concerned and were framed for conditions which no longer exist. What is required to build up the wool production of Canada for the benefit of our farmers and of the wool working industry is a scientific tariff on wool and woollen products to encourage the manufacture of wool in Canada from the raw material as it comes from the back of the sheep through all its processes to the finished article.

Many statistics have been given in this House during the past year or two to show the precarious condition not only of the woollen industry but of the knitted goods industry as well. Owing to the great increase in the British preference in 1922-23, the importation of woollen and knitted goods has largely increased. To show the effect of the increase in the British preference, I have taken from the monthly reports of the trade of Canada the total amount of imports of woollen and knitted goods from Great Britain for the calendar years 1921 and 1924. The amount in 1921 was $22,014,757, and in 1924 $31,430,902; or an increase of approximately 43 per cent. The import of knitted goods in 1921 from Great Britain was $2,897,072; in 1924 from the same source it was $4,369,354, an increase of a little over 50 per cent. A similar comparison may be made of importations of French woollen and knitted goods prior to the French treaty as against importations following that time. The French treaty came into effect in September 1923. For twelve months preceding that date importations from France of knitted and wollen goods amounted to $1,439,748. For the twelve months following that date, the imports were $3,246,813, or an increase of approximately 125 per cent.

This cannot help but have a decided influence upon the market for Canadian products. It is impossible for our knitting factories to pay wages such as they are paying and compete with the product of the cheap labour of Germany, France and Great Britain. I have with me two clippings, one from the Toronto Star of February 3rd of this year advertising French wool pullover sweaters at 98 cents, the other from Eatons spring catalogue of 1925, advertising Paris wool pullover sweaters, knitted of contrasting all wool yarns for 95 cents. It is needless for me to say that our factories in Canada cannot begin to compete with such prices. The result is that these companies which have been loyal to their employees and are endeavoring to carry on in the face of such merciless competition have met with business disaster and are still losing money. I have in my hand a copy of the annual report of one of the largest knitting companies in Canada, in which the company reports a loss of $52,000 in its operations during the past year. I want to appeal in the strongest terms to the Acting Finance Minister for relief. Surely the government will not sit by and see industries which have been built up by years of careful and painstaking effort driven out of existence by foreign competition with which they are entirely unable to contend. It is well known that the average wages of employees of woollen and knitting factories in France and Germany would not permit our Canadian employees to exist at all. I have with me a comparison of the wages paid to woollen operators in England and Canada:

	Yorkshire	Canada
Winders	$ 5 92	$13—$15
Twisters	6 34	13— 15
Spinners	5 77	13— 15
Reelers	6 52	17— 20
Overlookers	17 03	35— 60
Doffers	5 22	13— 15
Warehousemen	12 06	19— 22
Blenders, carbonizers, laborers	12 06	18— 20
Male help in grey room, stock room, packing department	12 30	19— 22
Firemen and greasers	13 89	30—

If we had any guarantee that cheap goods such as I have cited would continue to come into the country after our own factories had been closed down, there might be some possible excuse for allowing them to do so, but the danger is that when our own industries are driven out of business and our markets are in the hands of foreign manufacturers without any competition goods would be dearer than ever. Let me give what the Minister of Finance—whose absence I am sure we all regret—said in speaking about this subject in 1904. I am quoting from Hansard, volume 3, page 4634, of that year. He was referring to foreign manufacturers:

> They are not worrying about the good of the people of Canada. They send goods here with the hope and expectation that they will crush out the need of Canadian industry. If Canadian industry is crushed out, what would happen? The end of cheapness would come and the beginning of dearness would be at hand. Artificial cheapness obtained to-day under such conditions at the expense of dearness at a very near day in the future is not a system of which we

could approve, or that any of us on either side of the House could encourage.

This is exactly what is happening with some of our most important industries to-day. The woollen and knitted goods industry is slowly but surely being depressed and driven out of business by undue competition on the part of foreign competitors. When their resources are finally exhausted and their foreign competitors have our markets to themselves, and Canadian consumers are at their mercy, we will pay dearly I am afraid, for slight advantages we have enjoyed during the period of industrial depression. This will also prove a severe handicap to the production of Canadian wool, an industry which should rapidly increase and be a great source of revenue to the Canadian farmer.

The same is true of the agriculture implement industry, and of certain lines of agriculture as well. Our fruit and vegetable growers, our poultry keepers, cannot compete with produce from the warm climate and cheap negro labour of the southern states. When they are driven out of business by foreign competition, our Canadian consumers will pay dearly for the privilege they have had, of buying cheap foreign goods.

The argument that the public may benefit by the demoralized prices that prevail when an industry is being depressed is unsound, and it amounts to the proposition that the community benefits in the end by the ruin of all its members. According to such an impossible theory the sooner every farmer, manufacturer and labourer is ruined by selling goods under cost, the better off the country would be as a whole. It seems to me that is not a very sound argument.

There is an impression abroad which is too often repeated, that our woollen and knitting factories and other factories are getting a very large share of the cost of the finished article, that is, of the retail price. This is in a great many cases an erroneous statement. I want to give the House the proportional costs in a heavy suit made of Canadian wool, sold at a retail price of $20. The costs are as follows:

Heavy suit of Canadian wool costing, $20

Canadian wool..	$4 10
Cloth mill, wages, overhead, soap, dyestuffs, oils, freight and profit..	2 76
Buttons, trimmings, etc..	1 25
Clothing mfgr., wages, overhead and profit..	4 89
Government sales tax..	65
Retailer, wages, overhead, profit..	6 35
	$20 00

Heavy suit of Canadian Wool costing $35

Canadian wool..	$3 85	11 per cent
Cloth mill, wages, overhead soap, dyestuffs, oils, freight and profit	5 95	17 per cent
Clothing manufacturer, wages, overhead and profit..	13 65	39 per cent
Retailer, wages, overhead, profit..	11 55	33 per cent
	$35 00	

These are actual figures for the early part of 1924, and serve to show that our mills get a very small percentage of the retail price for manufacturing the raw material into the finished cloth.

I contend, and contend very strongly, that if the people of Canada consider it desirable to have a prosperous wool growing and wool working industry which will profitably employ a considerable number of workers to the benefit of the nation, who will consume as raw material a very large part of our own production, they will have to use the same methods as are being adopted by every other protectionist country.

I want to mention one of the budget proposals which I believe will meet with at least some measure of approval on this side of the House, and that is the provision for a tariff advisory board. I think the suspicion on the part of any industry that there is discrimination in the application of tariff rates would be overcome by the appointment of such a tariff board. This proposal is an admission on the part of the government that a tariff is necessary, and that it is only a matter of the amount of the custom duties that should be charged. Of course the success of such a board will depend very largely upon its personnel; they should be men who are fair-minded enough not to allow their prejudices in favour of protection or of free trade to influence them in their decisions. If such men are appointed, I have no fear but that tariff revision will be successfully and thoroughly carried out.

It is not my intention to say anything in regard to the railway situation further than this: that transportation rates are bearing very heavily upon all classes of industry, not only in the Canadian west and in the Maritime provinces, but upon the Ontario farmer as well. I feel very strongly that the management of the Canadian National railways are spending altogether too liberally on rolling stock and equipment. If they would exercise the same economy which other lines of industry are compelled to do in these hard times, we would not be called upon to guarantee bonds to the extent of eighty million dollars a year.

In my opinion there is only one solution of our transportation problem. There will

always be railroad deficits until such time as our population increases and more traffic, both freight and passenger, is obtained because of a denser population. We need more population, and we need more capital to develop our resources.

To encourage these necessities we should have an active immigration policy inaugurated, and I believe that it should be inaugurated simultaneously with the tariff revision which I have advocated. If confidence is restored throughout the country, Canada should develop very rapidly. I am convinced that when the people of this country have an opportunity they will place in power the party who will by means of the policy outlined in the resolution which stands in the name of the leader of the opposition restore confidence, build up industry, increase railway traffic, relieve unemployment, and gradually but effectively bring about an era of prosperity such as a great and growing country like Canada deserves.

Mr. JOHN G. ROBICHAUD (Gloucester): It was with a great degree of sorrow, Mr. Speaker, that at the opening of this session we again have had to make reference to the death of members of this House, and more especially for myself to a late member representing a constituency in my own province. That New Brunswick should have lost two of its federal members in the course of a few months, was a matter of great concern, and I cannot but avail myself of this first opportunity of paying a passing tribute to our late friend Hon. John Morrissy. Few public men in New Brunswick have commanded during their career a greater degree of respect and public confidence than the late member for Northumberland.

The electors of this good old constituency have certainly sustained a great loss, but it is gratifying that in their wisdom they have thought fit to send to parliament, as a successor to their departed member, a man of no less standing than the senior surviving member of the Snowball family. I am sure, Mr. Speaker, that the electors of Northumberland have every reason to be proud of their selection, and that they will continue for generations to adhere to the Liberal principles of those who have been so prominent in the political as well as the commercial history of that industrious and historic region of the Miramichi.

During the past three or four years, there has been a great deal of talk about Maritime rights, so called. Some of my hon. friends, representing constituencies in the province of New Brunswick, have unscrupulously permitted themselves to make this a political issue in various by-elections recently held in my province. That any one public man should attempt to monopolize or champion such a vital issue as the constitutional rights of the Maritime provinces, is a matter which should not be left unchallenged. I doubt very much, Mr. Speaker, the sincerity of these men. I doubt very much if it was not rather political power than Maritime rights that these agitators were trying to attain.

I stated, Mr. Speaker, on the floor of this House last year that if there was such an issue as Maritime rights, it was only in the abstract for, if really there existed a real issue, grievances which could be stated in concrete form, discrepancies would exist here and there, and either one or the other political party would have to assume the blame, but as it is, we are only suffering from the sequence of the national growth of Canada, the results of the great war and conditions unthought of by the Fathers of Confederation. The rights of the Maritime provinces, therefore, is a national issue. It should not be championed by any one political party and whatever the remedy may be, every one within the reach of my voice should be ready to assist in finding the solution for the problem. I still doubt if our troubles in the Maritimes are anomalous. But we are having and have had our troubles. Mr. Belding who has just arrived from a country-wide tour for the sole purpose of sizing up the situation in Canada as it relates to the existing conditions in the Maritimes terminated his trip only a few weeks ago and was tendered a banquet at St. John. Mr. Belding as is well known, was authorized to undertake this mission by the St. John Telegraph Journal, and is one of the ablest members of the editorial staff of that publication. After making an exhaustive resumé of his important mission, Mr. Belding winds up with the following remarks:

> Gentlemen, there is much I would like to say. There is a great deal I hope I will be able to say later in one form or another, but I must close. I would rather be the prophet of a new evangel than he who hangs crape on the door. I come back to you and to the Maritime provinces, not with a promise but a challenge. We were in at the birth of this confederation. We have an opportunity now to join in a great nation-wide movement to make that union permanent. Shall we say the path is too steep, the way too long and the darkness near? Or shall we turn our faces to the morning and go forward to the tasks of a great new day, building up on the northern half of this continent a prosperous Dominion, animated by a national spirit which will command success? That is our task, and I have faith to believe we shall not falter and we shall not fail.

I believe, Mr. Speaker, that there is a great deal to be learned from this declaration. In other words, I must emphatically persist in my contention that the troubles in the Maritime provinces are not peculiar to that section of Canada. They are not the troubles of one political class, but of the whole nation, that is to say, what affects the loyal citizens of the Maritime provinces should affect also the whole Canadian nation, and the alleviation of our burdens should be a matter of concern to each and every member of this House. We in New Brunswick have spent very generously to keep pace with the progress of our immediate neighbours; namely, the Americans of the New England states and our Canadian brothers of the province of Quebec. Few sections of the country possess better roads. New Brunswick provides ideal inducements to tourists. We have spent enormous sums of money for the building of railways and in this particular regard, I fear there has been a large degree of discrimination against our people. If the amount of subsidies paid to the different provinces by the federal government since confederation is to be regarded as a proper criterion in regarding the claims of each and every province which entered the union I believe that the province of New Brunswick has been discriminated against in so far as the subsidies which that province has received for the building of railways are concerned. I have before me no figures and have prepared no statement in this connection, but speaking from memory I think it will be found by referring to the available statistics that the province of New Brunswick has received since confederation some $24,000,000 in the shape of federal subsidies. The province of Ontario has received about five times that amount, and the grants to other provinces have been in like proportion, whereas if we refer to railway statistics we shall find that the subsidies paid for the building of roads in the province of New Brunswick have been very much less than they should have been on a proportionate basis. As regards road building we have been discriminated against in other respects. The people in my own constituency are served by branch lines which, I believe, should be brought to a proper standard in the immediate future. I have already brought this matter to the attention of Sir Henry Thornton, and in his consideration of the question the contention was advanced that the country served by the lines in question is perhaps too sparsely settled to warrant better equipment and better accommodation. Now the fact is that the population served by the Caraquet and Gulf Shore railway is one of the most industrious that can be found in any section of Canada. I do not believe that any railroad in the province of New Brunswick serves a larger number of inhabitants per mile than does the Caraquet and Gulf Shore railway, if we consider branch lines on the basis of meeting the necessities of rural districts. The Caraquet and Gulf Shore railway, serving as it does the southern coast of the Baie des Chaleurs, forms the only means of communication for a population of no less than 28,000 people. Now, Sir, I should like to find anywhere in Canada branch lines consisting of from ninety miles of railroad which serve a like number of people, especially in rural districts such as we have in my constituency. The hon. member for Northumberland, N.B. (Mr. Snowball) in the very eloquent speech he delivered this afternoon advocated the extension of this road from Tracadie to Newcastle. I believe the expenditure for such a purpose would be money well served. As I said before the lines already in existence provide accommodation for 28,000 people and the proposed extension, which would bridge a gap of fifty-two miles, would serve a class of very industrious people and carry the traffic of a country rich in natural resources—lumbering, fishing and agriculture. The building of this line would complete a contour around the north-eastern coast of New Brunswick, and I am sure that no better paying road could be found anywhere in the Maritime provinces.

I have read with very careful attention the extensive digest presented to this House by the hon. ex-Minister of Finance (Sir Henry Drayton), and one must admit that it was a wonderful attempt. The hon. member certainly has a command of figures above the ordinary, and as a financial critic I doubt if this parliament could find a better subject. But, Mr. Speaker, the twisting of figures and the distorting of facts will not extricate the country from the chaos into which it has been plunged by the inevitable result of the Great war and the reckless administration which preceded the present government. After such a lengthy speech from the ex-Minister of Finance, in the course of which this House heard a complete condemnation of the fiscal policy of this government and of anything that would tend to remove taxes from the shoulders of the consumers, one might have expected an amendment more effective and broader in its scope than that proposed by that hon. gentleman.

Conditions in Canada demand reduction of taxation, says the ex-Minister of Finance in

his amendment to the motion. Well! I wonder how these reductions can be effected by the imposition of higher customs duties on implements of production and on the immediate necessities of life. Did we not reduce the cost of living by cutting down taxes last year? Did we not give the consumer the advantage of lower tariffs which meant a deflation of some fifty million of dollars in our revenues? Whatever subterfuge our friends to your immediate left may invent, Mr. Speaker, the fact remains that the consumer has reaped the benefit of this vast reduction in taxation. But it is the sales tax that we wish to reduce, our hon. friends diagonally opposite will shout, and they declare that the orgy of extravagance on the part of this government renders that impossible. Our friends opposite will admit having expended lavishly without due regard to economy and in many cases it has been well demonstrated that they unscrupulously allowed political friends to make huge war profits and attempted to justify it on the plea that it was "to win the war." Now, Mr. Speaker, that we have won the war, was it not a wonderful achievement in itself? It was noble patriotism to help winning the Great war; so must it be highly patriotic and worthy of Canadian citizenship to meet our war obligations.

It has been demonstrated again and again that ordinary expenditures under the present administration are well within the mark and that the heavy burden on the tax payer is very largely made up, of extraordinary expenditures which neither this government nor any other that may come for a generation, will ever be in a position to eliminate or control. It would only cumber Hansard to go into this subject in detail. Figures have been given time and again and have never been refuted. But it will be said that the time has now arrived where war taxes could be reduced. It must be remembered Mr. Speaker, that war expenditures are as much of a drain on ordinary and extraordinary revenues to-day as they were when the world's greatest conflict was at its highest pitch. It does not sound very logical to say that war charges are as much of a drain on our revenue to-day as they were when war was on. In my point of view, Mr. Speaker, I am convinced that they are much more so. It is readily admitted that war expenditures were provided for by huge loans, and war taxation was resorted to for the redemption of these loans; or in other words, the whole war expenditures have been a drain on the present generation as they will be on future generations. At the end of the fiscal year of 1914 the interest charge on our debt was $14,687,797, whereas at the end of the fiscal year of 1923, on an interest bearing debt of $2,653,867,212 we had an interest charge of $136,007,667. I have not before me an exact statement of war expenditures, but it might fairly be stated that we have to meet in round figures interest on war charges amounting to over $100,000,000. If we add to this some $34,000,000 for soldiers' pensions, we will find that the drain on our ordinary revenues on these two items alone is greater than ever, and uncontrollable. Therefore the war burden on the tax payers of Canada is as cumbersome as ever and the question is more vital then ever. It thus behooves every Canadian citizen whatever his political affiliation may be, to shoulder his part of the burden and help the Canadian nation through.

The ordinary elector will say that we have no more war expenditures. It is true we have debts bearing huge interest, and we have to pay a large amount of soldiers' pensions; but the fact remains that during the years 1914 to 1918 inclusive, while we were struggling for the liberty of the civilized nations, this parliament resorted wholly and solely to war loans to pay war expenses. No provision was made for sinking fund and no provision was made for the conscription of wealth. Probably if there was a reason why, as an elector of this Dominion, I voted against conscription, it was solely because there was no conscription of wealth, which was a great mistake, and I believe that while huge profits and fortunes were made right and left in this country, the time was opportune to levy on the wealth of the country to pay war expenses. After all, when we sum up the situation in Canada, notwithstanding the lack of foresight on the part of our friends diagonally opposite when they were in power, notwithstanding the fact that they have failed to provide for the redemption of these war expenditures and notwithstanding the fact that they failed to enforce the conscription of wealth during this great conflict, I must admit, Mr. Speaker, that conditions in Canada are not at all so bad as they are sometimes represented. I believe it is a great mistake for the press of this country and for hon. members opposite, or to your immediate left, to advertise Canada as a country facing blue ruin; for after all our debt per capita is not greater than the debt of the United States. Although we have a huge debt, the main creditors of Canada are her own sons and daughters. No less than three-quarters of our debt is comprised of war loans which have been floated within Canada, and consequently we have as our creditors our own people. Surely those who have been patriotic enough to

subscribe to those war loans will, if ever the time comes that Canada will be forced to pay her debts, have enough of patriotism left to carry on our debt, to carry on Canada and the nation still further until, perhaps, in the future which, I hope, is not far distant, we shall see better times in this country, larger revenues as compared with our expenditures, and a time when our debts will be paid and wiped off the books of the nation.

Speaking of our hon. friends opposite some moments ago, I enumerated certain expedients to which they had resorted in order to try to win a few seats in the by-elections which have been held in this country since the last general election. Our hon. friends, in their political manoeuvres, have been trying to sink test wells into Canadian public opinion, but I am proud to say, without apparent results. The last amendment brought down by the ex-Minister of Finance is another striking example of their futile manoeuvres. With the one hand, they hold out the flag of high protection, calling to their colours the manufacturers and capitalists of this country, whereas with the other they are endeavouring to sink deep into the sentiments of the masses their abhorrence of taxation. I believe the time has come when the Canadian nation can no longer be duped by such insane and equivocal demonstrations. Canada is steadily and cautiously moving towards normal conditions. I have great hopes for the future of this country; I believe in the fiscal policy of the present administration; I have every faith in my honourable leader, and for these and other reasons which I have already enumerated, it shall be my duty to give to the motion my most wholehearted support.

On the motion of Mr. Johnston the debate was adjourned.

On motion of Mr. Graham the House adjourned at 10.45 p.m.

Tuesday, March 31, 1925

The House met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 38, to incorporate the Knights of Pythias of Canada.—Mr. Maybee.

Bill No. 39, respecting Joliette and Northern Railway Company.—Mr. Denis (Joliette).

Bill No. 40, respecting The Ottawa Electric Railway Company.—Mr. Chevrier.

RURAL CREDITS—REPORT OF DR. TORY

Hon. J. A. ROBB (Acting Minister of Finance): I lay on the table the supplementary report on agricultural credits by Dr. H. M. Tory. I move:

That 450 copies in English and 150 copies in French be printed for distribution, and that rule 74 in relation thereto be suspended.

Motion agreed to.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—SPECIAL COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to move the motion of which I gave notice two or three days ago:

That a special committee consisting of Messrs. Black (Halifax), Sir Henry Drayton, Duff, Sir Eugene Fiset, Halbert, Johnston, Kennedy (Glengarry), Leader, McKay, McMaster, McMurray, Rinfret, Sinclair (Queens), Stevens, and Stork be appointed to consider the resolution to give the government of Canada control over certain ocean rates by confirming an agreement between His Majesty and Sir William Petersen, K.C.B.E., as set out in said resolution with power to call for persons, papers and records, and to report from time to time.

Before submitting the resolution, Mr. Speaker, may I say that my attention has been drawn to the fact that some hon. members of the House feel that the resolution as drafted is not worded in a manner which would permit the committee to inquire into any other method that offers effective control of ocean rates. The government had assumed that it would be impossible to decide on one method without considering other methods as well and therefore that the resolution was sufficiently broad as it stood. However, to remove any possible doubt as to the scope which the committee will have I should like, with the permission of the House, to add after the words "set out in said resolution", "or by any other method that offers effective control".

Mr. W. F. MACLEAN (South York): The addition of these words by the Prime Minister gives me an opportunity to speak to the resolution now before the House. I had intended if that opportunity did not come to me in this way that I would try and get it by moving an amendment to the proposal as has been the practice hitherto in this House; and if hon. gentlemen will bear with me I will try to show—and I will not take very long—why the scope of the committee should be widened in the direction of getting greater control of ocean rates, and having other means suggested to

the committee than the means contained in the resolution. To bring that out I am going to take the liberty of presenting my views to the House on this occasion, and to shorten the time I propose to read, with the permission of hon. gentlemen, a few observations. I have taken some time in preparing these observations, and I hope the House will pardon me if I read them. I will be prepared at the conclusion to answer any questions that may be put to me by any hon. members. I begin to read:

At a previous stage of this debate, when the Minister of Trade and Commerce asked approval of the Petersen contract in the matter of ocean freights, I took occasion not only to dissent to that proposal but to suggest on my own responsibility what I thought was a much better plan of getting control of freight rates on the north Atlantic and a much better means of disciplining this north Atlantic combine.

My suggestion was for the Canadian government to take the necessary steps to secure the consolidation of the Canadian Pacific and all its steamship services with the Canadian National railways, which latter was in the control of the Canadian merchant marine, a consolidation which would secure enormous savings to the two railways, as well as give to the people and shippers of Canada improved transportation, not only on land but on the high seas and our other waterways.

The House heard me in silence, but two days later the hon. member for North Waterloo (Mr. Euler) rose in his place and did me the honour of saying that my plan was the most feasible scheme he had yet heard for dealing with this great problem of sea and land transportation. Some other hon. members spoke in the same strain, and on March 19, the Toronto Globe which is certainly more than friendly to the administration, had a leading article dealing with what they called my "bold proposal of the Canadian Pacific and the Canadian National railways being consolidated into one system" and quoted still further in the editorial from the speech of the member for North Waterloo, that I have just mentioned. It said that "Mr. Euler had declared that he had it on the highest authority that if the two systems could be combined a saving of from fifty millions to seventy-five millions a year could be effected," and I believe the hon. member for North Waterloo had good authority for that view. And then the Globe went on to say that if there could not be immediate consolidation of the two systems, there was no reason why some kind of pool as between the two could not be effected, not only for their own benefit but for the benefit of Canada, and said further:

> If amalgamation is regarded as impossible at present, why should there not be co-operation? Why should not the two systems pool their advantages for their own benefit and that of Canada? Why not cease wasteful competition and useless duplication, and spend money on constructions only where it is needed for development? The interests of the Canadian National Railway and the Canadian Pacific Railway need not conflict. The bond of union between them is national service. They can prosper only as the country prospers and grows. A new era of prosperity for Canada might dawn if the two transcontinental systems were working heartily together for the common cause.
>
> Sir Henry Thornton has made good. He has completely answered those who contended that a railway publicly owned and operated could not be managed as successfully as a private concern. The National Railway System can now stand comparison with its rival in every respect. Rivalry in service, so long as it is not merely for show and prestige, is healthy. Rivalry should not interfere with co-operation which might save money for both systems and for the country.

But this is not all of the approvals of my plan. While I spoke in silence in the House, I knew that the members and country were with me both in scheme and in effect; and I continued to receive many words of approval in the lobbies and by mail and otherwise; and what strengthened me most of all was a letter from a very close observer of public affairs in Canada, who said:

> I should not be the least surprised if the future should vindicate your policy as to the fusion of the Canadian National and the Canadian Pacific; I see many signs that the Canadian Pacific are getting very nervous over the competition which they are experiencing from the Canadian National; and I should think it quite possible that the time will come when they will demand that the government take them over.

And another witness appeared in this House last Thursday in favour of my proposal to consolidate the Canadian Pacific with the Canadian National, namely, the hon. member for Brandon (Mr. Forke), leader of the Progressives. In his speech on the budget, he brought up the question of the finances of the National Railways and advocated amongst other things the fixing of a fair amount as the capitalization of the Canadian National and then, passing on, he came to my suggestion of the merging of the Canadian National and the Canadian Pacific systems; and while I take it that he declared himself in favour of some kind of working arrangement as between the two roads, the thing he had in his heart was the complete merging of the two and the immense saving that would accrue from such a consolidation. Hon. gentlemen who wish to know exactly what he did say will find it in Hansard, page 1581.

And now I want to quote another newspaper that, like the Toronto Globe and the

Winnipeg Free Press, believes in some kind of merger, and that is managed by a man very well known in this country and very well known in Montreal which city is supposed to be the home of the duplex system of railways; I refer to Mr. John R. Dougall who, in the Montreal Witness of the date of March 25, came out with this editorial:

> Reductions of the cost of needless duplication of railway service seems to be looming up in the Commons as a live question. As the big railway battle usually comes during the sessions of the committee on National Railway estimates, much may be heard of this problem in a few weeks. Mr. Maclean, of Toronto, has won a new disciple in the person of Mr. Euler, for the cause of railway amalgamation. The latter is quite certain that sixty millions annually could be saved by this course. Other members from the west tell of train after train leaving Winnipeg with only thirty passengers aboard. In the provincial arena, Mr. Taschereau asks, "How long must the people pay the cost of running nine trains per day between Montreal and Quebec when three or four would do? "It will be remembered that Mr. Beatty, of the Canadian Pacific Railway, in a speech at Boston last fall mentioned consolidation as a possible solution of the problem. He emphatically added, however, that he did not believe the country would consider this procedure at present. He is in an excellent position to know. But if there is no general approval of either consolidation under public or private ownership there most certainly is a demand for immediate elimination of expensive and needless duplication of service. Few are so blind or so thoughtless as to fail to see that, regardless of who owns the lines, the country pays for all extravagance in the end. Canada has faith in the efficiency of the Canadian Pacific. There is now confidence that the National management is determinedly meeting a difficult situation. For these reasons there is all the more reason to expect that the heads of the systems can get together and agree on a programme of drastic curtailment of needless extravagance, which neither road could make singly without losing business to its rival, but which if effected would benefit both as well as the country in general.

And if I must quote another witness, I am going to put E. W. Beatty, president of the Canadian Pacific, on the stand. He spoke of economy in Canadian public affairs; and in an interview given out at Toronto he is thus reported:

> If business principles prevailed, the national policy would be to render the discharge of all our obligations that are proper and possible, with due recognition of the necessity of the individual and corporate thrift.

Now these last words about "corporate thrift," if I may interpret them, ought to mean thrift on the part of the Canadian Pacific Railway, so as to fit in with the situation which confronts us, namely, the inability of this country to maintain two great transcontinental roads working in every province of Canada, in a condition of expensive, heedless and altogether unnecessary rivalry, when one system would be much better and would save the country seventy million dollars a year. This is not the day for duplex railways.

And while I criticize Mr. Beatty, I admit his outstanding ability, and that as a railway executive he is the equal of anyone on the continent; and, furthermore, he is a graduate of my own university and won his spurs by his own abilities; and I admit he believes in mergers; but he wants to be the one who does the merging and the one who takes the hand of the lady; while my view of it is that the Canadian National, which is absolutely a Canadian enterprise, should merge the Canadian Pacific, and that the Princess Eddy should gladly offer her hand to Sir Henry. And, speaking of Mr. Beatty in the personal sense, I can compliment him, if I may, by saying that his eyebrows are almost as pronounced as my own. He, too, may have "big eyes" as others have said of myself.

Mr. SPEAKER: Order. A routine motion is debatable, but I call the attention of the hon. member to the fact that a debate on the subject matter which the committee to be appointed will have to consider is not permissible. The committee will have to consider the question of establishing control over certain ocean rates, and that committee will study any other methods that will establish effective control. I hope the hon. gentleman will be able to connect the actions of the Canadian National Railways and the Canadian Pacific Railway with the question at issue. I do not say that he will not be able to do that, but he should not adopt a too circuitous method in demonstrating it to the House.

Mr. MACLEAN (York): I certainly intend to do that, but I have to frame up a case.

Mr. SPEAKER: May I observe that "frame-ups" are debarred?

Mr. MACLEAN (York): With all due respect to your correction, Sir, I stand by that. I will soon make the connection, but I want to come to it in such a way that the public as well as this House can appreciate it.

As for the Canadian Pacific itself, I have always been favourable to that railway, and, as a member of this House, and before I was a member of this House, I knew its chief promoters, Lord Mount Stephen, Lord Strathcona, Sir William Van Horne, Lord Shaughnessy, when they were ordinary men without title, but when they had the ability, the foresight, or shall I say the vision, to plan that great road and to make a splendid success of it, and it is with us to-day.

But the transportation problem now before Canada and before this House is bigger than the Canadian Pacific, and all I say is that it would be to the interest of the country, and I think, the interest of the shareholders of that company, that a merger of all the services of the Canadian Pacific with the Canadian National should take place to-day before there is more raiding of a good Canadian security on the New York stock exchange. The main weakness of the Canadian Pacific is that its stock to-day is owned outside of Canada, and kicked about the New York and London stock markets whenever they like, and the control thereof might pass any day into the hands of an American railway. The Canadian National is absolutely owned by the people of Canada; it is subject to our policy and our policy as a nation only, and finally we cannot keep up a duplex system of railways, one-half of which might be held in Canada and the other half outside of Canada.

But, as I said, you will not find in Canadian papers now anything about things like these that are going on in the United States. You will hardly find one telling in its financial columns what has really been going on in the New York stock exchange more or less for a month back, and that is that the great railroads of the United States, including the Union Pacific, the Northern Pacific, the New York Central and the Canadian Pacific, have had a significant fall in prices. The Canadian Pacific has probably dropped ten points within almost the same number of days; other American roads have come down much lower, and apparently the end has not been reached. So, I ask this House and the country why the newspapers of Canada do not tell of things going on in New York in regard to railway shares and mergers of the railways of America and Canada.

When I am speaking of the newspapers of this country and this proposal for the merging of the two great railways into one, I am reminded of the fact that we now have in Canada what are called "chain groceries." Extending that idea, I say there are some people who think we have chain newspapers in this country and that they are pretty well "chained" at the present time. They say even that one man sitting in a big job-printing establishment in Montreal, doing the printing for both the railways and some other big interests in this country, after he is through with the job-printing propositions before him, also undertakes to operate a chain of newspapers from the Atlantic to the Pacific with a duplex line of editorials to suit the circumstances of the locality in which the appeal is made. Great is the duplex idea in Montreal, as to railways, as to press, and as to sports and sport clothes for men and women. Public economies do not count these days.

[Mr. W. F. Maclean.]

Now I want to come to the question of mergers of railways and to deal with the innuendo that I am proposing something new. I want to tell the House and the country that the consolidation and merging of the railways of the United States is the most pressing question there to-day; that it is the fixed policy of the Coolidge administration, as it was the fixed policy of the McKinley administration and even of the Wilson administration, to wipe out hundreds of the smaller lines of the United States and to merge them at the most into eight regional organizations, some of them covering more than six or eight states of the union, in one consolidated system. This work has been going on for years and is pretty nearly completed. The duty has been imposed upon the Interstate Commerce Commission to effect these consolidations and they are at the work now every day. One of these consolidations is that of the Nickelplate with the Chesapeake and Ohio, which is now not only before the courts for decision, but also before the Interstate commission. But that is not all. As a matter of fact, the New York Central has completed its proposed regional system, so has the Pennsylvania, and in the New York World of March 26 there is a special from Washington which says:

> Special dispatch to the World, Washington, March 25. Comprehensive railway legislation—the most far-reaching undertaken since the passage of the Esch-Cummins Transportation Act—will be begun at the opening of the next session of Congress, leaders on both sides of the Capitol admitted to-day.
>
> Senator A. B. Cummins, author of the present act, already has a bill prepared calling for compulsory consolidation of the roads into a series of major Streams, while the House committee on Interstate Commerce will start hearings early in September to prepare a bill for presentation to Congress as soon as it convenes.
>
> The tax reduction bill and farm relief legislation will be submitted at the same time, confronting the administration with its three most difficult and embarrassing problems the moment Congress assembles.
>
> Besides compulsory consolidation, other railroad questions are the completion of valuation of the roads and a determination as to what will be done with the huge fund now building up and available to the government under the recapture clause to bolster up weaker roads with loans.
>
> A tentative system of consolidations was worked out by the Interstate Commerce Commission, but railroads which object to being hitched up with weaker lines have made the tentative plan abortive. Whether the administration will approve any plan designed to compel the railroads to amalgamate has not been made known.

And in its leading editorial of the same day, the New York World criticizes the Nickel-plate consolidation; its opening sentence is:

Congress has approved the policy of railroad consolidation by voluntary agreement and before long a plan for the first of the great consolidations will be submitted to the Interstate Commerce Commission for its approval. It is being promoted by the Van Sweringen brothers of Cleveland. They propose to put together the old Nickel Plate, the Erie, the Pere Marquette, the Hocking Valley and the Chesapeake and Ohio.

On the general theory that consolidation of strong and weak roads is desirable there is now general agreement; there is, in fact, strong opinion in favour of making consolidation compulsory. It is all the more important, then, that the first practical test of the policy should be above serious criticism.

And the last sentence reads as follows:

The Van Sweringen merger needs looking into, not only as a matter of justice to the Chesapeake and Ohio stock holders, but also because it is important to establish sound methods at the beginning of this era of railroad consolidations. Anything like a scandal in this, the first great merger, would disgust the public with the policy of mergers and would deeply injure the railroads as a whole.

From now on mergers either voluntary or forced will be the big question in railroad America and railroad Canada.

Now, I want to come to my proposals. I have re-written this very carefully, and it is what I desire to present to the House and the country in dealing with this merging of railways so as to reach a solution of the question of regulation of ocean freight rates. This is my proposal in a word:

Proposed consolidation of the Canadian Pacific and subsidiaries with the Canadian National, involving:

1. Such re-routing of main lines and branches as might be dictated by the better grades, mountain passes, bridge-crossings, tunnels, approaches to stations, etc., held by one or other of the companies;

2. The consolidation of the cartage, telegraph and express services of the systems,—perhaps taking over the parcel post, postal and money orders of the post office,—thereby cutting out all unnecessary services and buildings, rents, etc., and perhaps using local post offices at places as aids to these national services;

3. The cutting out of all unnecessary trackage, bridges, tunnels, stations, buildings, tanks, plants, etc., and thereby releasing material for any double trackage required, or other additions that the traffic thus re-routed and consolidated might call for;

4. Also cutting out all unnecessary executives and staffs, officials and offices, headquarters, and attendant expenses;

5. Also cutting out and selling any unnecessary engines and unnecessary official sleeping, dining, passenger, postal, freight and other cars and equipment that the consolidation permitted;

6. Also cutting out all unnecessary printing and advertising charges and other propaganda; and all unnecessary solicitation and canvass for business caused by the present needless rivalry of branch and main line services.

All of which would involve:

1. Some system of half pay or pensions for men let out by this consolidation; and,

2. A better system of pensions for long service men generally;

(3) And further involving a revaluation of these consolidated services and a reorganization of their securities now in existence, as fast as present commitments will permit and improved financing might suggest.

Mr. SPEAKER: With all due deference to the hon. member, I fear he is not discussing the point. I have too much respect for the hon. gentleman to lecture him, but I do think he might come to the point; I am waiting in expectation that he will reach it.

Mr. MACLEAN (York): I am sure Mr. Speaker's hopes will be realized. Further, there would be involved the general bringing about of greater efficiency, better service, lower freights and fares, increased economy, ending forever all extravagant and unprofitable rivalry.

The Canadian Pacific has been generously treated by the Canadian people and parliament in the way of legislation, charters, plans, surveys, money subsidies, land grants, rights of way, exemptions of many kinds and protection by a fair and just railway commission maintained at the public expense; yet this great beneficiary and ward of the nation, notwithstanding its enterprise and devotion to the work and service called for in its franchises and contracts, has at times shown a spirit of ingratitude and at other times developed an attitude that the Canadian Pacific was more than the nation and parliament which had created it; and that it even now enjoys or thinks it enjoys a free hand to crush out or interfere with any right of the nation to engage in public ownership in the way of transportation and other services; in a word, that the created company is greater than its creator and benefactor, the nation. This public servant must not set up to be the master rather than the servant of parliament and the people; each must be fair to the other.

The Canadian Pacific can claim to have made a success of its railways and other services and is entitled to full recognition therefor; but, on its part, this great company must

recognize that besides all the successive aids and grants to it from the country, it has from the very first secured for its chief promoters and owners of its shares, peerages, baronetcies, knighthoods and other honours, fortunes for themselves and friends; and that the country was equally generous to the promoters and bankers of rival railway lines that ultimately became bankrupt; and that these later promoters and bankers also shared in the baronetcies and other honours and profits and appointments of various kinds and had all their company debts taken over and paid by an overtasked and overtaxed public.

Notwithstanding all which the public and the people found and are finding most of the money—outside of the Canadian Pacific's shares and bond issues—and all the traffic for these railways, at high rates; and therefore, in a word, that company must listen to a public demand for consolidation and unified operating costs when it comes up as it does come up to-day in this House and in the country; and the public likewise must be fair in the matter of compensation to the hitherto successful Canadian Pacific.

The Chicago, Milwaukee and St. Paul and many other railways now under fire on the New York Stock Exchange are a warning even to the successful Canadian Pacific. Great moneymaking propositions and successful services are ever threatened by scrapping. All transportation is being scrapped to-day. The automobile, the autobus, the motor truck are taking the local passenger, freight, cartage and express business from the big railways; and the aeroplane will soon reach for the long distance travel, mail and express business; the sleeping and dining car business is in danger, even a lot of the hotel patronage is threatened when business men and others come to know that interviews over wire or wireless are as efficient as personal visits involving long jumps by rail or road and the accompanying inconveniences. The new world may take a lot of the present rush out of business, and sanity take its place—overstraining may be at its peak.

There may be a wise time to sell a successful private-owned railway property, especially if in the near future the traffic were limited to long hauls of freight by land and sea; and if the Canadian Pacific should determine to sell, a commission of three men made up of the presidents of the Canadian Pacific and the Canadian National and one other arbitrator ought to be able to fix a fair amount for the consideration of parliament as compensation to the Canadian Pacific shareholders for the transfer of all their services and assets to the

National Railways. And such a consolidation of these roads and services might suggest to parliament the creation of a new corporation to be called National Canadian Carriers, an organization that would include these railway, ocean, express and telegraph services and other services on highways and waterways, said carriers being further empowered to take up, as need may call for, any coming developments in such service and communications of all kinds by radio, beam, wireless or cable, as inventors or promoters may be prepared to submit or the policy of the new consolidated directorate might determine or parliament order. All such common carriers in the widest sense to be national or under national control and in no way dictators to parliament or the nation. This is where the tragedy that is now at our doors will end and national prosperity begin afresh.

This programme of mine is, I hope, plain to all, and I ask hon. members to read it and I ask the country to read it. The outstanding deduction from it all is that Canada under her present financial strain cannot afford to maintain these two competing railways and other services, when one joint management and ownership would give a much better and more economical service. Is it not absurd, for instance, that there should be two enormous headquarter buildings and headquarter staffs in the city of Montreal, one for the Canadian Pacific and another for the Canadian National, when one building would house both, when one set of officials could administer both systems and do it much better and for less money. Of all the pieces of extravagance before the world to-day, this is one that ought first to be put an end to and reason and economy govern in its place. It is not only an extravagance, it is a crime and there is not a member in this House that does not admit I am right, that does not think it should end now and forever.

Now as to how this consolidation could be effected, I have already hinted at it in my previous speech that it could be achieved in a very short time and that the economies effected would permit not only reduced freights by land and water but would bring about other economies in the telegraph, express and postal branches and that the whole of the financial commitments of the two systems could be met by these consequent savings and by re-arrangement of the securities involved. Members may laugh at the extent of the proposal and the commitments of it; but because it is large and because it is sweeping, it may justify itself. The real enormity is in the existence of two unneces-

sary systems at great cost when one would do much better and give immediate relief to all interested in transportation and communications.

I do not propose a single thing that is not what might be called an investment proposition; and I challenge the best financial authorities in this country or out of it to deny the conclusion which I have reached in favour of the consolidation. All our railway proposals were for the expenditure of further money of the taxpayers of Canada. For the first time I am proposing something that would at once lessen the burden of the Canadian taxpayers; and I want to say, that the First Minister has himself declared in this House that he has already approached the Canadian Pacific—to what extent I cannot at present say—but what he said is most significant, and what the Globe says for itself and its party is also significant, and what the others that I have quoted have said is also significant. Canada is at a crisis to-day. What it wants is courage in the government and in this parliament to deal with that crisis and by a new departure start our country and our people again on the up grade. Desperate conditions call for radical use of the knife and the stern orders of the dictator of retrenchment in times of the wildest extravagance. If the cure doesn't come a new Cromwell will; and even now you can almost hear his horses champing in their stalls, and later on in the lower corridors of this House.

And, finally, let me say to the House and to this parliament in the matter of duplex services: Coming in at our centre door, under the tower, what do I see? Duplex post offices double-manned with two postmasters and two deputy postmasters—one set for the Commons and one set for the Senate—and double sorters in the two offices; also a duplex system of accountancy and a battery of clerks as timekeepers on members and senators, and a double staff of writers of indemnity checks for the two houses; also duplicate barber shops; duplicate Hansard staffs; duplicate messenger staffs—

Mr. SPEAKER: Order. The hon. member's remarks with respect to two railway systems and ocean rates were in order, but when he begins to discuss the internal organization of the House of Commons and the Senate he is absolutely out of order.

Mr. MACLEAN (York): I bow to your ruling, Mr. Speaker. I was simply trying to show that this extravagance which is common to transportation also prevails in other quarters, and if we start to cure it in our own House we will the sooner cure the duplication in connection with our railways and our ocean services. That completes my argument anyway, Mr. Speaker. My point is that you cannot deal effectively with ocean rates by establishing such a one-horse system as the government now propose. But if we have the enterprise to take over the Canadian Pacific Railway and its steamship service—and it is one of the best in the world—and merge them with the National Railways and our merchant marine, we shall at once secure absolute control of land and ocean rates. This consolidation would effect very great economy of operation—upwards of $70,000,000 a year—and would give us an ocean service under our absolute control. If the government want to arrive at a real settlement of the problem they must do something along these lines. Then Canada will publicly own all her transportation facilities, and so give the people service at cost. We do not want to have anything to do with the north Atlantic conference or combine. I admit that it is one of the worst combines in the world, that it is trying to fleece the people of Canada—everyone admits that now—and that it should be disciplined. My argument, Mr. Speaker, is that the only way to discipline this combine is by consolidating our two railway systems and their steamship services into one transportation system under one national management, absolutely owned by the people of the Dominion. Once you have done that you will be able to say for the first time to those whom you invite to settle our vacant lands: "We invite you to a country of hope, to a country where you will have the cheapest transportation by land or sea for the products of your farms and of your factories." I hope the government will accept my suggestion. I also hope that they will widen the scope of the committee and allow anybody to appear before it. I am going to appear before that committee and express my views in a much more pronounced form than I have to-day. I hope my friend down the line, the leader of the Progressives (Mr. Forke) will also go there with his representations.

I believe that the people of Canada to-day are determined to finish for all time extravagant expenditure wherever it appears, especially in connection with transportation. While I was quite properly called to order by you, Mr. Speaker, when I pointed out the duplication of workers right in these houses of parliament, I only pointed out that what has taken place in connection with transportation in this country, has also occurred

within our own walls; and I say that whenever the election comes on the people will end this duplication and extravagance, and will perhaps also end those who are responsible for it. I am not prepared to say who are responsible, but it is a condition of affairs that cannot be allowed to continue, it must be remedied, and now is the time to remedy it. The government for the first time have an opportunity of handling the rates problem in a big way, and if they can show me that they are going to consolidate our transportation systems in the way I have proposed, I will be only too glad to vote for any motion putting it into effect whenever they present it to the House in proper form.

Mr. ROBERT GARDINER (Medicine Hat): Mr. Speaker, before we proceed further with this motion I would call the attention of the House to the composition of the proposed committee. It is to be composed of eight Liberals, four Progressives and three Conservatives. Why is it that the Progressive party with practically the same membership as the Conservative party is allowed one more member on the committee? I would remind the House that there are thirteen members in this part of the chamber who do not pay allegiance to the Progressive party, and they have no representation on the committee. Under the circumstances I presume that the Progressive party is to be represented by four members because of the fact that the thirteen members to whom I have referred are included in the party.

Now, Mr. Speaker, I would suggest to the Prime Minister that in order to give all the elements in this House proper representation on the committee he should increase its membership by two or three at least, because it is not fair that our thirteen members should have no representation on a committee of such importance. Some few days ago there appeared in the press an announcement that there had been born in this House a new political party. I contradict that statement emphatically. We thirteen members who do not belong to any of the three major parties in this House met together for the purpose of seeing to it that we got proper representation on any special committees that might be appointed from time to time. That is all we met for; consequently I wish to deny the suggestion that a new party has been born in this House. I would request the Prime Minister to take into consideration the representations that I have made in this regard and try to provide representation on this committee for these thirteen members.

Right Hon. W. L. MACKENZIE KING (Prime Minister): With respect to the constitution of the committee the government has followed the usual procedure. As to increasing the number on the committee, the unanimous consent of the House is required; but if that is the wish of the House the government does not mind if the committee is made larger. But as to the personnel, I simply wish to point out that the government is following the practice that was adopted when this parliament came into being and that was followed at the beginning of this session in striking the general committees of the House. Unless some substantial reason to the contrary can be offered, I question very much whether at this stage in the life of the present parliament it would be wise to depart from that practice.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I cannot see how the contention advanced by the hon. member for Medicine Hat (Mr. Gardiner) can be logically disputed. Nor does it seem necessary that the committee be enlarged in order to meet it. The committee has fifteen members now. Eight are from the government side, four from the fifty hon. members to my left and three from the fifty-one hon. members here. Obviously the committee is out of balance: the elements are not fairly chosen. That can be remedied by dropping one of the four selected from the fifty to my left and choosing one from the thirteen. I do not favour large, cumbersome committees. I have always felt that because of the new composition of this House an injustice has been done the Conservative party in the small representation it has on committees, and still more so, indeed, in the very small opportunity it has to participate in debate. Members of the Conservative party have only one opportunity in four to take part in debate, although the party represents, as hon. gentlemen will admit, even from the figures of the last contest, a close approximation to half the people of the country. However, I know the difficulties that in this respect come to the surface and I have never made any complaint as to representation on committees. I do think, though, that the representation in debate is distinctly unjust and should be remedied. But as respects this case the obvious remedy is to have one dropped from the fifty who are over-represented and have one come from the thirteen who are not represented at all.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, I should like to endorse the position taken by the hon. member for Medicine Hat (Mr. Gardiner). We who represent Labour here have no complaint whatever to offer as to the treatment we have received from the House; I believe we have been represented fairly on the committees. But sometimes we are placed in a rather awkward position by the practices which have prevailed. For example, when it comes to debate we have no whip through whom we can speak when arrangements are being made as to the programme which I believe it is the custom to place in the hands of the Speaker. On account of their being only two in the Labour group we have had difficulty in finding a place on some very important committees. We are intensely interested, for example, in railway matters, since a very large number of railway men rather look to us in that connection; but I felt that our numbers—two—hardly entitled us to any representation on that committee. In respect to the committee that was formed the other day to consider the revision of the rules we felt that we had hardly fair treatment, although nothing was said at the time. My colleague (Mr. Irvine) suggested that revision and asked that a committee should be appointed to carry it out. The member for West Calgary (Mr. Shaw) also had a resolution with regard to private members' day. The member for Macleod (Mr. Coote) had a resolution with regard to the consideration of the estimates. The member for Brant (Mr. Good) had still another resolution with regard to the size of standing committees. All these four resolutions were referred to the committee on the revision of the rules, but strangely enough not one single member of the four who proposed these matters was placed on the committee. It seemed to us at the time that this did not show any very great courtesy to those members; indeed, it was not altogether in accordance with the general practice of this House, namely, that of placing on committees those who are particularly interested in the subject concerned.

4 p.m.

Now, with regard to this committee on the control of ocean freight rates, the Prime Minister says that he has been following the recognized practice of the House. But the House should know that within the last few weeks, or few months at most, the conditions in the House have entirely changed. We two members of the Labour group now feel that we can unite with these other groups in seeking representation. There is one Independent member and some ten members who formerly were united with the recognized Progressive party, so that including the representatives of Labour we number thirteen. I think I hear someone say, "unlucky number." Well, we are willing at any time to enlarge our group by including others who care to come in. But numbering, as we do, thirteen, and having regard to the proportion that number bears to the number of the remaining members of the House, we ought to be entitled to representation on a committee of this character.

May I say this, before I take my seat, just to put ourselves straight with the House and with the country at large: We who are elected as Labour representatives remain Labour representatives, entirely responsible to our Labour groups. I believe the member for Medicine Hat (Mr. Gardiner) is quite right when he says the farmer representatives remain entirely responsible to farmers and the independent member remains responsible to the people who nominated and elected him. But for the purposes of the conduct of the business of the House we have found ourselves forced into co-operative effort of this kind, and we think it is only fair that the government should recognize the changed conditions and grant us representation on the special committee.

Mr. R. H. HALBERT (North Ontario): As one of the committee who at the commencement of the session struck the standing committees of the House, I wish to say just a word lest a wrong impression may have gone forth from what has already been said. It will be noted that those who include themselves in the group numbering thirteen have always been on the standing committees since the commencement of this parliament. No objection was taken when ten out of the thirteen were placed on the Banking and Commerce committee, representing the Progressives. If they have formed a separate group I would like to know who the leader is, and I would like to know what their name or designation is. Moreover, they are occupying Progressive seats in the House. I simply rose to explain, as one who was on the striking committee, that the group of thirteen is over-represented because of its members being counted as still within the Progressive group for the purposes of the standing committees of the House.

Mr. GOOD: Does over-representation on one committee justify no representation at all on another?

Mr. HALBERT: This is a special committee, I am not speaking of the standing committees. The group in question is over-represented on the standing committees of the House. As the right hon. leader of the opposition has said, if these thirteen members have left this party they are not entitled to a representation of more than three. However I, as one of the four Progressive members named would be perfectly satisfied to be left off this committee, but we want the actual facts to be thoroughly understood.

Mr. JOS. T. SHAW (West Calgary): I have listened with some interest to the politically-minded member for North Ontario (Mr. Halbert). He thinks that if people get together for the purpose of endeavouring to secure what they deem to be their proper representation for committee purposes that consequently there must be a political group, that the group must have a leader, and that they must have all the attributes of a new party such as the one that he belongs to.

Mr. HALBERT: I rise to a point of order. I did not mention any political group at all.

Mr. SHAW: I beg the hon. gentleman's pardon.

Mr. HALBERT: I did not speak of any political group.

Mr. SHAW: I was calling the Progressive party a political group. They may not call themselves a political group, but they are. I have no desire to take part in the organization of any political group, and I do not propose to do so. I think we have already got too many political groups in this House. More than that, Mr. Speaker, I am perfectly satisfied that when the electors get a chance at this political group they will see to it that there will be one group in this House of which there will be but a sad remnant left after election day. That group is the group to my immediate right. I have no complaint whatsoever to make personally. The situation does appear to me as perfectly clear. The regular Progressives, or the reactionary Progressives, or the Regressives whatever you call them, are over-represented on this committee. If they did not know that fact before they certainly must be fully aware of it now, and the proper thing, the just thing, the reasonable thing, to do is to withdraw their excessive membership on that committee and see to it that the committee represents fairly the opinion of this House.

Mr. ROBERT FORKE (Brandon): I have listened with some interest to the discussion that has taken place. The hon. member who has just taken his seat (Mr. Shaw) has referred to the members who sit to his right as likely to be taken to task by their electors at some time. I do not know exactly to whom he is alluding, because looking at the composition of the members to his right I do not know whether they are all included in the Progressive party or otherwise.

Mr. SHAW: I referred to the members to my immediate right.

Mr. FORKE: When the hon. gentleman first spoke I did not know to whom he was alluding exactly but now he has made it plain. I hope the hon. member is not as good a prophet as he imagines himself to be. Sometimes, perhaps, we are mistaken when we enter into the field of prophecy. I should like to say—and I think I can speak for the Progressive group, or political party, or whatever you like to call them; I am not one of those who quibble over names—that we are a group associated together for certain purposes, and I understand that one of them is the good government of this Dominion of Canada; that is the main principle for which we stand. I for one never imagined for a moment that everyone was not getting a fair deal in the matter of representation on committees. Parliament has been in session for nearly two months now, and this is the first intimation I have had that anything was wrong, that there was any trouble. I for one imagined that everything was going along smoothly as far as committees were concerned. The hon. member for North Ontario has just pointed out that this group of members or whatever you might call them, are over-represented on all the standing committees. It has usually been the custom for representations to be made to the Progressive group to suggest the members who should appear on these standing committees. There has been no complaint as to that, and we followed the same custom in regard to this select committee. I did not know there was going to be any complaint or that hon. members would assume the position they now take. If they want separate representations it is quite reasonable on their part and they are entitled to get it; and I am quite willing to bow to any arrangement the House may come to in that respect. There is no intention in the world, I am sure, for anyone to take any undue advantage in this matter. These hon. members should certainly get the privileges to which they are entitled in this House, and they will be given the rights they are entitled to on all the committees. I do not want to

quibble over trifles and I will not say that these hon. gentlemen in question are over-represented on the regular standing committees. I do not want to stir up trouble at this stage of the session and I am quite willing to leave them where they are as far as I am concerned. I think, however, it is rather ungrateful to use language such as has been resorted to this afternoon. I think these members must realize that they have been accorded every courtesy by hon. gentlemen in this part of the chamber. With special reference to the Labour members here I am astonished that the hon. member for Centre Winnipeg (Mr. Woodsworth) should say that he has not got all the privileges that other hon. members in this House have received. If ever—

Mr. WOODSWORTH: I made no such statement. I said I had no complaint to make with regard to the privileges enjoyed, that we have been treated with the utmost courtesy by this House. I did say, however, with regard to a certain committee that on account of the smallness of our number we had found ourselves somewhat at a disadvantage and that when the opportunity offered to co-operate with other members we would gladly avail ourselves of it in order to have on the committee representatives who would be perfectly satisfactory to us. I want that to be quite understood; I am not complaining at all of the treatment that the House has accorded to the two Labour members.

Mr. FORKE: There is just another matter I should like to call attention to. I want those hon. members who have been complaining that they have not been accorded all the privileges to which they are entitled to take up the order paper and find out who have had the privilege of indulging in discussions that have taken up the time of this House. If they will do that they will find that the time of the House has been largely occupied by members who are now complaining that they have not enjoyed enough privileges.

Mr. SPENCER: May I ask the hon. gentleman a question?

Some hon. MEMBERS: Order.

Mr. FORKE: Oh, let him ask it.

Mr. SPENCER: I should like to ask if the resolutions to which the hon. member refers were not put on the order paper in perfect order, and whether they have been taken up in their turn?

Mr. FORKE: I have no doubt they were put on in perfect order, but I hope that some rule will be adopted by the House to prevent the same thing from occurring again.

I have this to say in conclusion: I do not want any hard feelings in connection with this matter, but I think when people are treated decently and fairly there is no justification for getting up here and complaining of bad treatment. I want those hon. members who have been complaining to get all the privileges and rights that belong to them; I am sure no complaint has ever come from any member of the party I have the honour to lead that they were getting too many favours. The situation which has arisen occurred quite incidentally without any scheming or manoeuvring on our part, and I hope it will be remedied so that there will be no more trouble.

Mr. W. C. GOOD (Brant): I want to throw a little light but not any more heat upon this discussion. I am in a position to throw some light upon it, and I crave the attention of the House while I do so very briefly. The Prime Minister says that the customary practice has been followed in this respect. I beg to differ with him very definitely with regard to the appointment of members on the committee under consideration. I will admit that up until this time the practice has prevailed; but in this case the thirteen members, including myself, were definitely informed that we could not possibly secure any representation through the Progressive group on this committee. I therefore went to the government whip; I went to the Conservative whip; I went to a number of members of the Progressive party including the leader; I went to some of the government members; and I endeavoured to secure only simple justice. I did so privately hoping to have no trouble, hoping that it would not be necessary to raise the matter on the floor of the House.

Mr. BEAUBIEN: In doing all this, was the hon. member acting as the whip of the group?

Some hon. MEMBERS: Order.

Mr. GOOD: The question is perfectly proper, and I will answer it very definitely and frankly: I was acting at the request of those who had no other means of securing representation.

Mr. MARTELL: Is my hon. friend from Brant (Mr. Good) the leader of the "Ginger group"?

Mr. SPEAKER: The question is not relevant.

Mr. GOOD: I do not think it is necessary to deal with a lot of irrelevant matter. We are not dealing with the matter of a new political party. It does not exist. But there are thirteen members of this House who could not get fair treatment in any other way, and were forced to take such action by the declaration of Progressive members.

Mr. CARROLL: When my hon. friend came into this House he allied himself, as I understand, with the Progressive party.

Mr. GOOD: Yes.

Mr. CARROLL: Did the hon. gentleman not take part in electing the chief whip of the Progressive party, the hon. member for Last Mountain (Mr. Johnston).

Mr. GOOD: I did not.

Mr. CARROLL: Has the hon. member or his group from that time to the present intimated to either the government whip or the opposition whip that they have chosen another whip?

Mr. GOOD: Most certainly, Mr. Speaker.

Mr. FORKE: The hon. gentleman has referred to a conversation he had with me. I entirely repudiate any such statement, or that I made any such remark to him as he imputes to me. I think what I told the hon. member was that he had better go and see the government in regard to getting representation. I could not authorize him to get representation; I told him that it was a matter about which he should see the government. I hope he will not deny that.

Mr. GOOD: I may possibly have been misunderstood by the hon. gentleman.

Mr. FORKE: No misunderstanding.

Mr. GOOD: I will say again most emphatically that I was given to understand by the hon. gentleman that none of the thirteen gentlemen mentioned could possibly secure appointment on any committee through the Progressive party. I am sorry if I misunderstood the hon. member, but that was my understanding of what was said, and that there was no other way out of it—if we wished to secure representation we had to take such action as we have taken. I wish to state to the House most definitely that, acting at the request of other hon. members, I did everything possible to secure a friendly arrangement in this respect in order to avoid any trouble or friction in the matter. I even went to a member on the government side the latter end of last week and made representations, and I understood from what he told me that he made an effort to secure a friendly adjustment so that there would be no dissatisfaction.

Mr. MACDONALD (Pictou): Does the hon. member desire to intimate to the House that he has ceased to be a follower of the hon. member for Brandon (Mr. Forke)?

Mr. GOOD: I should like to answer the question though it hardly relates to the matter under consideration; however I may say—

Mr. MACDONALD (Pictou): Oh, yes it does.

Mr. GOOD: I may say very frankly, so far as "leading" is concerned, yes. Up to the present time the member for Last Mountain (Mr. Johnston) has acted as chief whip for the Progressive party; and since last year we thirteen members are not represented by him in the negotiations of the House. That is the situation and I thought it was fairly well understood in this House.

Mr. CARROLL: Has the hon. gentleman representing the thirteen—which is rather a peculiar number—told the government whip or the opposition whip, or the whip of the Progressive party, that they were disallied—if that is a good word—from the three groups and desired to form another group in the House?

Mr. GOOD: Yes, I so stated a few minutes ago.

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: I would ask hon. gentlemen on both sides to discuss the motion before the House. We are losing much time this afternoon.

Mr. GOOD: I have been asked questions, and as I do not wish to appear discourteous to any hon. member, I desire to answer these questions. I think some of them however have not been entirely relevant.

Mr. CARROLL: I should like to ask—

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: I stated yesterday, and have stated on different occasions, that whilst questions may be allowed with the consent of the hon. gentleman who has the floor, yet when the debate degenerates into a discussion of this kind the Chair must intervene and stop it, otherwise the debate will be interminable.

Mr. MARTELL: I rose some time ago to a point of order. We all know well that when we appeal to the electors in this country

there are two recognized parties, we have the old-fashioned Liberal party, the old-fashioned Conservative party, and of late we have had the Progressive party. Since they came to this House they have divided themselves into various factors. The hon. member for Brandon (Mr. Forke) is the leader of the Progressive party; my right hon. friend (Mr. Mackenzie King) is the leader of our party; and the right hon. member for Grenville (Mr. Meighen) is the leader of the Conservative party. That constitutes what we understand in this country as the two-party system. Now a third party has come in.

Some hon. MEMBERS: Order, order.

Mr. MARTELL: When the Speaker calls me to order I will sit down. Then the hon. member for Centre Winnipeg (Mr. Woodsworth) says he is the leader of a group, the Labour party so-called. He has been recognized by Your Honour on divers occasions as the leader of the fourth party. Now in the name of Heaven—

Mr. SPEAKER: Order.

Mr. MARTELL: —are we going to have a fifth and sixth group in this House? I may ask you, Mr. Speaker, to recognize me as the leader of the Liberal Constitutional party, because I do not always agree with my party on constitutional questions. I might be called an old-fashioned Tory, because I believe in keeping up the British connection.

Mr. SPEAKER: The hon. gentleman rose to a point of order. I understand his point of order is that the Speaker can only recognize two or perhaps three groups in this House. The Speaker ignores the parties as parties; but there are, as all constitutional authorities state, amenities which cannot be ignored. For instance, when a debate is proceeding in the House the Speaker must alternate; he must see one on the ministerial side, then one on the opposition side, and then the third group, the Progressive party. He must see them as he must also see others who do not belong to that third group. Hon. members will remember that once in the House of Commons in England besides the historic Liberal and Conservative parties they had the Irish party, and there was also a group of four very eminent gentlemen, Mr. Balfour and Lord Randolph Churchill being of the number, I have forgotten the names of the others; yet recognition was given by the Speaker to any of those eminent gentlemen. Of course, this is not strictly part of the law, but it forms part of the amenities of the debate, and it seems to me I should be remiss in my duty as Speaker if I did not recognize those members who do not officially belong to either of the three larger groups. Last year I applied that principle in the case of the Labour group, because that group is quite a factor in the country. I had to take notice of the hon. member for Centre Winnipeg (Mr. Woodsworth), who represents Labour and I think I was right in doing so. Therefore the point of order of the hon. member for Hants (Mr. Martell) is not well taken, although I think it is well to draw the attention of the House to the apparent anomalies which exist. Might I remind the House that a motion has been passed to give precedence to the debate on the budget over all other questions? We have been discussing this motion all afternoon. The suggestion was made a moment ago that things could be arranged by one member of the Progressive group dropping out of that committee and being replaced by a member of the other group. If that suggestion were adopted, the House might proceed with the other business of the day. The time is going fast.

Mr. GOOD: I would have been through long ago if I had had an opportunity. All I wish to say in conclusion is that a suggestion was made by me to the government whip several days ago in order to avoid the embarrassment of anybody dropping out. The situation might be remedied by the addition of four members to the committee, one from the Conservatives, one from our section, and two from the Liberals. This would make an exact and fair representation. That is one way out of the difficulty. The other way out is that which has been suggested by the leader of the opposition (Mr. Meighen). I am sorry if I have said anything to hurt the feelings of any hon. member present, but I will not willingly submit to injustice, and in this particular case, I believe a grave injustice was being done. I, for my part, strove patiently for a number of days to get the matter adjusted privately without any unpleasantness, and I would like to appeal to the hon. member for Brome (Mr. McMaster) as witness of what I did in this connection to get an adjustment. If a way out is secured, either by increasing the membership to nineteen, or by the other method suggested, I shall be quite satisfied.

Mr. F. S. CAHILL (Pontiac): Who should be consulted in the hon. member's group of thirteen in future on questions of this kind arising as to who should be appointed from

that group to represent them? What position does the hon. member hold? What is his status in the group of thirteen—leader or whip?

Mr. GOOD: I do not know how many times I must answer this question. I have answered it two or three times already. I have stated distinctly that twelve other members asked me in writing to secure committee representation for them as they could not get it in any other way. I gave that document—or a copy of it—to the government whip. Surely that is plain enough.

Mr. HARRY LEADER (Portage la Prairie): Mr. Speaker, in order to settle this discussion and clear the air, if I am in order, I am going to make a suggestion. The hon. member for Brant (Mr. Good) has said that there are two ways of settling this, either by increasing the representation on the committee, or by some one who is already on dropping out. My official resignation is now in the hands of the Prime Minister, and while I wish to thank the members of the Progressive party, of which I am proud to be called a member, for selecting me to represent them on that committee, if I am in order, I would suggest that my name be dropped and some other name substituted. I could make a suggestion, but I will not do so. I will leave that to them.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the hon. member did send me a note a moment ago saying that if it was in order, he would suggest that his name be dropped from the committee and some other suggested, if that would help to clear the way for other business. The House heard the hon. member for North Ontario (Mr. Halbert) a moment ago make a similar offer. There seems to be a disposition to see that all groups are represented. I would suggest that the motion as put be carried, and that hon. gentlemen opposite to-morrow notify the government what substitution of names they wish, one of the gentlemen who has just been mentioned retiring and thus permitting a member of the thirteen to take his place on the committee. I think it would be better to keep the committee of the size it is. It would require the unanimous consent of the House to enlarge it. I would submit that would be the quickest way to dispose of the matter.

Mr. GOOD: With that understanding—

Some hon. MEMBERS: Surely.

Motion agreed to.

[M. Cahill.]

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, so that members may know officially with respect to the adjournment at Easter, though I mentioned it the other evening, with the consent of the House, I had better make the motion formally. I move:

That when the House adjourns at six o'clock on Wednesday April 8, it do stand adjourned until Tuesday, April 14.

Motion agreed to.

JOINT COMMITTEE ON PRINTING

Hon. CHARLES MARCIL (Bonaventure): moved:

That the first report of the joint committee on Printing except the section thereof referring to sessional papers numbers 49, 98, 99 and 100, be concurred in.

He said: In explanation of this motion, I wish to state that the Senate has already passed a motion similar to the one now being proposed. It has been discovered after the meeting of the committee that sessional paper No. 49, being the rules adopted by the province of Quebec relating to appeals against convictions or sentences under the Criminal Code, are for the special use of the provincial tribunals and there is no necessity for the House of Commons to pay the cost of having the same printed and distributed. They are needed more particularly by the members of the legal profession in the province for which they were adopted.

As to Papers Nos. 98, 99 and 100, the House has decided prior to the meeting of the committee that they be printed without being referred to the committee.

It was by inadvertence and for lack of proper information that committee decided to print the same.

Motion agreed to.

HOUR FOR PRIVATE BILLS

Mr. D. F. KELLNER (East Edmonton): Mr. Speaker, I desire to move a motion of which notice was given last Wednesday:

That on and after next Tuesday, the thirty-first day of March instant, until the end of the present session, if the hour from eight o'clock, p.m., to nine o'clock, p.m., on Tuesdays and Fridays, which under the rules of the House is devoted to the consideration of Private Bills, is not wholly taken up or used for that purpose, such part of the hour as remains after Private Bills are disposed of, shall be devoted to Public Bills and Orders, which shall be called by the Speaker in regular sequence as they appear on the order paper.

Mr. W. F. CARROLL (South Cape Breton and Richmond): Mr. Speaker, I would think

that was a question that should go before the committee which, under your direction, is dealing with proposed changes in the rules of the House. I do not think it is within the scope of a private member to move such a resolution at this stage without notice.

An hon. MEMBER: Notice was given.

Mr. CARROLL: Even if notice was given, I do not think such change as is proposed should take place. The fact that an hour is set aside after eight o'clock on certain evenings to take up private bills does not necessarily mean that the whole hour must be taken up with or allotted to private bills. The moment private bills are disposed of, necessarily other government work comes up.

Mr. MEIGHEN: The House may have had notice of this motion, no doubt it had; but I did not observe it, and consequently it is a surprise to me. I do not concur with the hon. member for Cape Breton South and Richmond (Mr. Carroll), who feels that it should be a subject for reference to the special committee in that it contemplates a change in the rules of parliament. It is no more a change in the rules of parliament than are a large number of motions that are constantly made by the government either for the appropriation of certain days or for the appointing of special committees for certain purposes, or motions of a similar nature. This is merely a motion that could have effect for this particular session, applying to the rules as they exist to-day. It so happens this session that there are a number of very important subjects that have been precipitated into "Public Bills and Orders" and which will find there a permanent resting place unless some means is found to enable discussion of them. It would not take a very great deal of time, if after private bills have been disposed of, between eight and nine, the rest of the time were devoted to the discussion of these questions and especially to the consideration of certain bills which have drifted into the category of public bills and orders. I have always felt as respects bills introduced by private members that after having got so far, landing in the bog, it was scarcely fair treatment for the member who had special legislation which he wanted to advance to shelve it in this way. Something can be said, as well, for this residue of resolutions, but the argument cannot be advanced quite so forcefully as in respect of bills which are held up in this way. I would suggest that the House give serious consideration to the motion of the hon. member (Mr. Kellner). For myself, I see no objection to its application this session.

Mr. LAPOINTE: I do not understand what my right hon. friend means when he says that there is no rule of the House governing the matter.

Mr. MEIGHEN: That is not what I said; the minister misunderstood me. I know he will agree with me when I explain the point. The motion is not in the nature of a change in the permanent rules of the House. There is of course a permanent rule of the House which applies to the present case, but this motion is no more a change of any standing rule than is the motion which is frequently made that Wednesday or Thursday be taken as government day after a certain period, or that a special order shall have precedence, such for instance as the special order which is now first on the order paper. The present motion, I say, is no more a matter for relegation to the committee which is considering changes in the permanent rules of the House than would be just such a motion as I have mentioned.

Mr. LAPOINTE: What my right hon. friend alludes to is the suspension of the rules in regard to one particular subject. That happens, not very frequently but occasionally; while the motion of my hon. friend (Mr. Kellner) would mean the immediate permanent suspension of rule 25.

Mr. MEIGHEN: Its suspension for this session; and so does the motion to take Wednesday mean a permanent suspension of a particular rule for the period of the session.

Mr. LAPOINTE: But that is a matter of practice, whereas this motion if adopted would establish a new practice which has never been known in this House, and that at a time especially when there is a committee sitting for the purpose of considering the advisability of changing some of the rules of the House. I trust that the committee will not accept any such innovation as suggested by my hon. friend inasmuch as it would lead to confusion. I do not see how the House could very well devote, of one hour, forty-five minutes to the consideration of private bills and fifteen minutes to the discussion, let us say, of race track gambling or something of that kind. I do not think it would be of any advantage to the House to adopt the motion. While personally I am not averse to the changing of some rules in the House, and elsewhere for that matter, I do feel that so long as the rules stand we should respect

them; and moreover while there is a committee actually considering the question of changes in the rules, I should feel disinclined to accept the motion.

Mr. SPEAKER: If no other hon. member desires to speak, the mover of the resolution will close the debate.

Mr. D. F. KELLNER (East Edmonton): If we are to accept the policy that no rules are to be changed in this House, then it seems to me that the committee just now studying the rules of parliament might as well cease its activities. And the minister will I think appreciate the fact that, whatever the committee may do, it does not expect any changes which it may propose to become effective this session. The motion now before the House is one that applies entirely to the present session. As regards subjects that are now on the order paper, there are quite a number of very important matters under the heading of "Public Bills and Orders" which it would be desirable to take up, and it would seem to be a question whether or not the government and the House desire to smother discussion of these questions or to give hon. members a chance to have them fairly brought before parliament. There is no question whatever to my mind that the procedure now proposed is almost identical with that followed by the government when they ask the House to give to government business the time that otherwise would be due private members. We are merely asking now for reasonable length of time in which to deal with important matters on the order paper. As for any resolution on race track gambling coming up for a fifteen minute discussion, I would ask the Minister of Justice (Mr. Lapointe) whether he seriously thinks that the mover of such a resolution would take fifteen minutes if it were offered him to discuss that subject. Why, it would be altogether impossible for him to get anywhere in that length of time.

Mr. LAPOINTE: I have seen some surprising things happen.

Mr. KELLNER: Possibly the Minister of Justice looks for surprises. But there are many days when private bills and orders are disposed of in about ten or fifteen minutes, and if we had the rest of that hour to take up public bills and orders, many important matters would be disposed of. It is undesirable that these matters should be deferred to a subsequent session, because it seems to me that this will only make for an effort on the part of members to beat the rules of the House; if they cannot get a fair chance to deal with the subjects they are promoting they may try to get ahead of the rules.

Mr. CARROLL: Why not make it a permanent rule of the House?

Mr. KELLNER: I am not suggesting anything as a rule of the House either permanent or temporary; we are simply asking that a certain space of time which is now devoted to private bills be given to public bills and orders when that time is not consumed in considering such private matters.

The House divided on the motion (Mr Kellner):

YEAS

Messrs:

Anderson,	Knox,
Arthurs,	Leader,
Beaubien,	LeSueur,
Black (Halifax),	Lewis,
Black (Yukon),	Lovie,
Bowen,	Lucas,
Brethen,	MacLaren,
Bristol,	Maclean (York),
Brown,	Macphail (Miss),
Caldwell,	McConica,
Campbell,	McDonald (Timiskaming),
Carmichael,	McKillop,
Charters,	McQuarrie,
Church,	McTaggart,
Clark,	Maybee,
Dickie,	Meighen,
Doucet,	Millar,
Drayton (Sir Henry),	Milne,
Drummond,	Neill,
Duncan,	Preston,
Elliott (Waterloo),	Pritchard,
Evans,	Reed,
Fansher,	Ross (Kingston),
Forke,	Ross (Simcoe),
Gardiner,	Sales,
Garland (Bow River),	Senn,
Garland (Carleton),	Shaw,
Good,	Sheard,
Gould,	Simpson,
Grimmer,	Speakman,
Halbert,	Spence,
Hanson,	Spencer,
Hocken,	Stansell,
Hodgins,	Steedsman,
Hoey,	Stewart (Hamilton),
Hopkins,	Stewart (Humboldt),
Hubbs,	Stewart (Leeds),
Humphrey,	Stirling,
Irvine,	Sutherland,
Johnston,	Thurston,
Jones,	Wallace,
Kellner,	Ward,
Kennedy (Edmonton),	Warner,
Kennedy (Glengarry & Stormont),	White,
	Wilson,
Kennedy (Port Arthur & Kenora),	Woods,
	Woodsworth.—93.
King (Huron),	

NAYS

Messrs:

Baldwin,	Boucher,
Béland,	Bourassa,
Benoit,	Cannon,
Binette,	Cardin,
Bouchard,	Carroll,

Carruthers,	McGiverin,
Casgrain,	McIsaac,
Chevrier,	McKay,
Chisholm,	McMaster,
Clifford,	McMurray,
Copp,	Marcil (Bonaventure),
Déchène,	Marcile (Bagot),
Denis (Joliette),	Marler,
Denis (St. Denis),	Martell,
Desaulniers,	Mercier,
Descoteaux,	Michaud,
Deslauriers,	Morin,
Duff,	Motherwell,
Ethier,	Munro,
Euler,	Murdock,
Findlay,	Murphy,
Forrester,	Ouimet,
Fortier,	Papineau,
Fournier,	Parent,
Gendron,	Pelletier,
Gordon,	Pouliot,
Graham,	Prevost,
Hammell,	Putnam,
Hanna,	Rankin,
Hatfield,	Raymond,
Healy,	Rinfret,
Hudson,	Roberge,
Hunt,	Robichaud,
Kay,	Robinson,
King (Kootenay),	Robitaille,
King, Mackenzie (York),	St. Père,
Kyte,	Savard,
Lanctôt,	Séguin,
Lapointe,	Sinclair (Oxford),
Logan,	Sinclair (Queens, P.E.I.),
Lovett,	Snowball,
Low,	Stewart (Argenteuil),
Macdonald (Pictou),	Stork,
Mackinnon,	Tobin,
MacLean (Prince, P.E.I.),	Vien,
McBride,	Walsh.—93.
McCrea,	

Mr. SPEAKER: Under the rules of the House—

Mr. BELAND: Mr. Speaker, I beg to call to your attention that the hon. member for South Quebec (Mr. Power) was in his seat and did not vote.

Mr. POWER: I was paired with the hon. member for East Hamilton (Mr. Mewburn). Had I voted I would have voted against the resolution.

Mr. CHAPLIN: I was paired with the hon. member for Welland (Mr. German). Had I voted I would have voted for the motion.

Sir HENRY DRAYTON: Mr. Speaker, I was paired, but I certainly understood that no pairs counted. I may say that when I saw that some hon. members did not rise I at once sent over a note to my hon. friend the chief government whip (Mr. Kyte) asking him to vote because he is paired with our chief whip (Mr. Boys) who is absent.

Mr. DUNCAN: I did not know this motion was opposed by the government. I was paired with the hon. member for North Bruce (Mr. Malcolm).

An hon. MEMBER: You voted.

Mr. DUNCAN: I did not know that pairs counted.

Mr. ROBB: Mr. Speaker, I was paired with the hon. member for Vancouver Centre (Mr. Stevens). Had I voted I would have voted against the resolution.

Mr. MARTELL: Mr. Speaker, I should like to call your attention to the fact that the hon. member for South Toronto (Mr. Sheard) voted.

Mr. SPEAKER: Order. These explanations will be entered in the proceedings, but the vote cannot be changed.

There being an equality of voices, rule 6 puts the Speaker under the obligation of casting his vote and he can state his reasons to the House. I vote nay. My reason is this: There is a special committee, only appointed a few weeks ago by the House; it is presided over by the Speaker and sitting twice a week to discuss the advisability of amending some of the rules that are obsolete. That committee has not yet reached rule 25, which is affected by the principle involved in the present motion. Therefore I think it would be wise not to anticipate but to let the committee fully consider this question and report on it. The House can then adopt or reject the motion. I declare the motion lost.

Motion (Mr. Kellner) negatived.

PUBLICATION OF THE STATUTES

Hon. JAMES MURDOCK (Minister of Labour) moved for leave to introduce Bill No. 41, respecting the publication of the statutes.

He said: The object of this bill is to determine the manner in which the statutes enacted from year to year by the Dominion parliament shall be printed and bound, and distributed. The principal reason for the bill is that a revision of the statutes is now in progress, and the sections of the present statute determining the manner in which acts of parliament shall be printed and bound are couched in terms not now in common usage and not precisely in accordance with the practice which has been pursued for many years. A consultation with the Department of Justice resulted in the present measure being drafted as a new and complete statute rather than as an amendment of the existing statute, and it has the approval of the Department of Justice.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I do not know that I am

clear on the explanation of the hon. minister. He says that the present statute contains language that is not now in common use. What does he mean? If he would give us the statute to which he refers hon. members could refer to it.

Mr. MURDOCK: An act respecting the publication of the statutes. It is on the orders of the day, and my right hon. friend—

Mr. MEIGHEN: No, the hon. minister misunderstands me. What is the statute now in force?

Mr. MURDOCK: An Act Respecting the Publication of the Statutes.

Mr. MEIGHEN: That is not on the orders of the day, if it is the old statute.

Mr. MURDOCK: That is it exactly.

Mr. MEIGHEN: How would the old statute be on the orders of the day?

Mr. MURDOCK: It was found necessary to revise in several particulars the present act respecting the publication of the statutes.

Mr. LAPOINTE: It is really an amendment of the present statute.

Mr. MURDOCK: It really contemplates the amendment of a number of sections, and the Department of Justice thought it would be better to repeal the old act and pass a new statute, which is being done.

Motion agreed to and bill read the first time.

TORONTO VIADUCT—IMMIGRATION

On the Orders of the Day:

Mr. T. L. CHURCH (North Toronto): I would like to direct the attention of the Minister of Immigration (Mr. Robb) to complaints that are appearing in the Toronto papers the past few days, by letter, by editorials and otherwise, in reference to advertisements said to be appearing in British newspapers that 5,000 workers are needed in Toronto to work on the Toronto viaduct, when none are, as a fact, needed. I would like the minister to be kind enough to look into these complaints; to ascertain whether they are well founded or not, and, if so, who is responsible for the effort to induce immigrants to come to Canada on the basis of such wilful misrepresentations as these.

Hon. J. A. ROBB (Minister of Immigration): I will.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I understand that the hon. member quotes from an advertisement in some English paper, the purpose of which is to induce immigrants to come to Canada on the assumption that there is work for them on the Toronto viaduct. I just wish to point out to my hon. friend that under the law of England it is a criminal offence to use English newspapers for the purpose of inducing immigrants to come to Canada under false pretences. I think that should be brought to the attention of the public generally.

EXPORT TAX ON POWER

On the Orders of the Day:

Sir HENRY DRAYTON (West York): Mr. Speaker, during the budget debate I did not fully realize that the change in the law so as to provide for the export tax on power referred to by the hon. Acting Minister of Finance (Mr. Robb), had been carried out by order in council and that we will have no resolution under which an opportunity would be afforded to discuss the matter in the ordinary way in committee. Under these circumstances it seems reasonable to request that all applications for the right to export power and all correspondence having regard to the matter, the order in council itself, and the recommendation of the department on which the order in council is based, be tabled during the pendency of the debate.

Hon. J. A. ROBB (Acting Minister of Finance): I think the order in council has been published in the Canada Gazette. The act is administered by the Trade and Commerce department.

Sir HENRY DRAYTON: I am sure my hon. friend will realize that the order by itself does not mean very much. I think the House is entitled to know what steps were taken by the government with regard to the imposition of this new tax—that is, unless the matter is to be kept from any intelligent review by the House. We should have the correspondence, the recommendations and the like. I should not think there would be any difficulty about it.

Mr. ROBB: If there is any correspondence relating to it I will bring it down.

Sir HENRY DRAYTON: The applications and the recommendations.

NATURALIZATION ACT

On the Orders of the Day:

Mr. ARTHUR L. BEAUBIEN (Provencher): May I ask the Secretary of State (Mr. Copp) if he intends to bring down any amendment to the Naturalization Act this year?

Hon. A. B. COPP (Secretary of State): The present intention is not to bring down any amendment to the Naturalization Act.

RURAL CREDITS

On the Orders of the Day:

Mr. H. E. SPENCER (Battle River): I would like to ask whether the attention of the government has been directed to the following resolution which has been unanimously agreed to by the legislative assembly of the province of Alberta:

Resolved, that this House continue to urge on the Dominion government the necessity for a federal farm loan scheme, and request that action be taken at the present session of parliament to make the necessary provision to make such a scheme effective.

Right Hon. W. L. MACKENZIE KING (Prime Minister): It would be very difficult to answer my hon. friend. A number of these resolutions that are passed by provincial legislatures are sent in to the government, but it would be necessary to inquire of the Clerk of the Privy Council or of the Secretary of State whether this one has been received. I will make the inquiry and try to give my hon. friend an answer.

CANADA GRAIN ACT AMENDMENT

On the Orders of the Day:

Mr. O. R. GOULD (Assiniboia): I would like to ask the Minister of Trade and Commerce (Mr. Low) if he will intimate to the House why the government decided not to bring down any amendments to the Grain Act this year.

Hon. T. A. LOW (Minister of Trade and Commerce): There are no other reasons than those stated yesterday. It is desired to give hon. members ample opportunity to study the report of the Royal Grain Commission. If the House so desires we have no objection to introducing the bill and upon second reading referring it to the Agriculture committee. I am sure Mr. Justice Turgeon would be glad to appear before that committee and explain fully his report and the bill that he has drafted.

Mr. GOULD: I would suggest to the minister that the farmers of western Canada do not wish to market their grain under existing conditions any longer than they can help, and would like to see the bill passed in its amended form this year.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, we have some interest in this matter too. I thought it was a new proceeding in parliament that the government should leave a bill on the table for a year in order that it might properly soak in. The session of parliament is for that purpose; the various stages of the bill itself are for that purpose. I do not know anything more difficult to understand about a grain bill than about any other. If there was any bill that this premonitory procedure should apply to it was the Petersen bill. I do not see that the government has any reason at all for this extraordinary procedure, especially in view of the fact that already three or four sessions have elapsed since the matter was first undertaken. The reports have been delayed month after month—indeed, year after year. Surely we should not have to rest on our oars for another year before we have the legislation.

Mr. LOW: My right hon. friend does not suggest that for several years no action was taken on the report of the Royal Grain Commission?

Mr. MEIGHEN: No. I said the report had been delayed for months and even years.

Mr. LOW: Not the report of the Royal Grain Commission that was appointed a year or two ago?

Mr. MEIGHEN: Yes. The government in its Speech from the Throne of 1924 offered the expectation to the House that the report would be down in time for legislation a year ago.

Mr. LOW: The report was received only shortly before the session opened.

Mr. MEIGHEN: I know that.

Mr. LOW: It was tabled immediately following the opening of parliament. We realize that this is a very important matter. It has been intimated to me on more than one occasion that some members would like an opportunity to study the report of the Royal Grain Commission more fully. But if it is the wish of the House that the government should proceed with the bill we are ready to introduce it, give the bill its first and second readings and then refer it to the Agriculture committee. As a matter of fact, if the Agriculture committee is prepared to recommend its adoption we are ready to proceed with the bill this session.

Mr. MEIGHEN: I think I see now the reason why all this precaution is to be taken. The government is apparently going to rest its destiny on the Agriculture committee with respect to this bill. I was in no disagreement with the minister as to the delay to date,

but surely he does not suggest that that is a reason for leaving the bill on the table for a year. Suppose there is a general election; next year there will be new members. Will the House then have to have another year until the new members study the bill, too?

Mr. GRAHAM: Speak for your own side of the House.

Mr. MEIGHEN: That is what I am doing.

AUSTRALIAN TRADE TREATY

On the Orders of the Day:

Mr. W. G. McQUARRIE (New Westminster): May I inquire when the government propose to bring down the Australian treaty for ratification?

Hon. J. A. ROBB (Acting Minister of Finance): I think that question was answered a few days ago.

Mr. MEIGHEN: Could the government lay that on the table too, so that we may think it over?

FISHING LICENSES TO FOREIGNERS

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I want to give some information to the hon. member for New Westminster (Mr. McQuarrie) in connection with an inquiry he made yesterday, in which he drew the attention of the House to an answer that had been made to a question put by him on the 25th of March. There were six enumerations; three had been answered by the Minister of Marine and Fisheries. I find that this is what happened: Part of the question relates to the Department of Marine and Fisheries and part of it to the Department of External Affairs. The External Affairs department sent its answer in to the Department of the Secretary of State, where the questions were assembled, but it had not reached the House, so that the answer as given to the House contained only the reply of the Marine and Fisheries department. That is why all the questions were not answered at the same time. That is why the whole question was not answered at the moment. Now the part referring to the Department of External Affairs, which remains, is the fourth question:

Is it true that the Japanese government has refused to make any modification in the agreement subsisting between Canada and Japan, as to the number of Japanese subjects to be allowed entry to Canada yearly?

The answer is No.

Has the Japanese government made any proposal to the Canadian government in reference to the matters referred to in the preceding question?

[Mr. Meighen.]

The answer is No.

If so, what are the particulars thereof?

The reply to this is: Answered by the preceding answer.

VANCOUVER HARBOUR COMMISSION

On the Orders of the Day.

Mr. GEORGE BLACK (Yukon): I should like to call the attention of the government to several questions put on the order paper on 25th February. After being allowed to stand some days the questions were converted into an order for return. The questions were concerning certain transactions with the Vancouver Board of Harbour Commissioners. They do not involve any research, it is a matter as to which the government should have information at hand here in Ottawa, and I would ask the Minister of Marine and Fisheries if the return could not be expedited.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I shall be pleased to make the necessary inquiry and see that the return is prepared as soon as possible.

THE BUDGET

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

The House resumed from Monday, March 30, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. J. FRED JOHNSTON (Last Mountain): Mr. Speaker, I am sure you will agree that we have had a somewhat interesting afternoon. We have had a review of the past and present railway situation in this country from the hon. member for South York (Mr. Maclean). We have also learned that no new political party has been born in this country, which fact I am sure will come as a measure of relief to many of us as there will be no swaddling clothes and feeding bottles necessary.

May I at this time congratulate the Minister of Railways (Mr. Graham) on attaining another mile stone. I am sure that I voice the feelings of all, at any rate in this part of the House, when I say to him that we hope he may have many happy returns of the day.

In addressing myself to the resolutions now before the House I wish first of all to draw attention to the proposal of the government to create what is termed a tariff board. In this connection I want to read from the resolu-

tion relating to the board in question the following words:

> The remaining members will be persons specially qualified to advise upon such questions, and will give continuous time and attention to these and kindred matters.

Now, Mr. Speaker, I am not opposed to the appointment of this board but I want to point out that the farming interests of this country will expect to be represented on that body. I think I may say to the government that this board will not be received with favour by the farming interests of the country if one of their number, one in whom they have absolute confidence, is not included in its personnel.

Another matter I intended to draw attention to was the amendments to the Dumping Act, but I observe the Acting Minister of Finance gave notice yesterday that when we reach the proper stage of the proceedings he will withdraw this proposal. I am pleased that he is going to do that, but it is still a matter of wonder why those amendments were ever proposed. I am sorry they were brought down but I am glad, as I have said, that the acting minister now proposes to withdraw them.

I wish to say a few words regarding the budget of 1924, and the reductions in the customs duties that were given effect to at that time. It is a well-known fact that our friends to the right have claimed that those reductions, along with other policies of the government, have resulted in the closing of many factories in this country. I have in my hand a publication issued by the Liberal Conservative organization committee at Ottawa, dated February 19, 1925, and I want to say to my hon. friends to the right that this publication came into my hands in a legitimate way.

Mr. MEIGHEN: Glad you got it.

Mr. JOHNSTON: My right hon. friend probably will not be so glad before I have finished.

Mr. MEIGHEN: It will not hurt.

Mr. JOHNSTON: In this article it is stated that "a seven-foot binder with no attachments in 1921 cost $235; the price to the farmer to-day is $237. But the sales tax of 3 per cent existed in 1921 and does not exist to-day." The House will note immediately that the figures quoted here are for the years 1921 and 1925; there is no consideration given to the intervening years. But anyone having to do with the agricultural implement industry, or the buying of these implements, will know that in that interval between the years 1922 and 1923, there was a very material increase in the price to the user by the manufacturers. No consideration is given to that at all. The idea conveyed in this article is that as against the price of 1921 there was an advance in 1925 which may be true as respects the figures submitted. But the list given in the article goes on to enumerate different machines—five-foot heavy mower, ten-foot rake, single-disc drill, six-foot 12-tooth cultivator, and so on. I made it my business after this publication came into my hands to write to one of the large implement firms doing business in western Canada and ask them for their prices for each of the years 1921 to 1925 inclusive, showing what reduction, if any, had been made by the lowering in the customs duties and sales tax as of last year, and I wish to submit these figures: An eight-foot binder in 1921 cost $331; in 1922, it cost, $267, in 1923, it cost $274, and previous to April 11, 1924, it cost $308. Immediately after the reduction in the customs duties and sales tax the price was reduced to $293, or a saving to the farmer of $15. Further, the price for this year is $283, or a total difference, between the price in 1921 and the present price of $48. I mention the last price in order to explode the old theory of our protectionist friends that any reduction in the customs duties does not reach the consumer but is added by the American manufacturer to the price.

Mr. MEIGHEN: What about the 5 per cent sales tax taken off, is that not worth mentioning?

Mr. JOHNSTON: I have given the prices for the years 1921 to 1925 inclusive.

Mr. MEIGHEN: You missed the point altogether.

Mr. JOHNSTON: Now on a 20-shoe drill the price in 1921 was $260, in 1922, it was $200, in 1923, it was $207. Previous to April 11, 1924, the price was $230. After the reduction in the sales tax and customs duty the price was $210, or an immediate reduction of $20. The 1925 price is $185, showing a net reduction this year over 1921 of $75 on these implements.

Mr. LEWIS: In order to make the situation quite plain was there an increase in the price in 1924, before the budget came down, anticipating that the duties were going to be lowered?

Mr. JOHNSTON: My hon. friend will have to ask the manufacturer that, I do not know.

I do know, however, that there was an increase by implement firms in this country in the fall of 1923, applicable to the prices sent out in the spring of 1924, but it was a general increase. Now I have the prices of two other implements in very general use in western Canada. On a 16-16 disc harrow the price in 1921 was $90, in 1922 $72, in 1923, $76. Previous to April 11, 1924, the price was $85. After reduction in the customs duty and sales tax the price was $80, or a reduction of $5. To-day that implement costs $79, or a total reduction of $11. On a 10-foot hay rake the price in 1921 was $66, and in 1922 $55, in 1923, $56.50. Previous to April 11, 1924, the price was $65, and after the reduction of customs duties the price was $62, or $3 attributable to reduction in customs duties and sales tax. To-day the price of that machine is $60, or a reduction of $6. These figures are authentic and are from one of the largest implement companies doing business in western Canada. I have a letter from the sales manager of that implement company to show the correctness of my statements.

It is not my intention to dwell very long on this matter of protection. I have said in this House before, and I re-state at this time, that in my opinion protection breeds trusts and tends to distrust in government. We heard from the hon. member for Dufferin (Mr. Woods) a short time ago in regard to the manufacture of wire fencing in this country, and I think it is worth while repeating some of his statements. We have different firms manufacturing wire fencing in Canada. Some of them also manufacture the wire or raw steel rods. In this particular instance the manufacturers who weave wire fencing also manufacture a fencing of No. 10 wire, on which there is an import duty of 20 per cent. These other people who only weave wire are forced to pay that 20 per cent duty to their competitors, with the result that they will either be put out of business or we will have another trust in this country. My hon. friend at that time spoke about manufacturing in the small towns of Ontario years ago. I remember very well as a boy in this country, that in the town where I was brought up we had many small manufacturing establishments. We had a foundry employing fifteen or twenty men, a tannery employing about an equal number, and a woollen mill, three different firms that manufactured wagons, sleighs, buggies and so on, but all these had disappeared, before 1896. And why? Probably because something similar to what I have stated in connection with the wire fencing obtained—that the big fellow was able to freeze them out. I think it can be safely said that protection has failed to make Canada prosperous. I do not wish to burden the House with a long array of figures to sustain this statement I have made as to the failure of protection to make Canada prosperous, but there are a few to which I should like to call attention. Take for example the comparison between the growth of Canada and the United States during comparable periods in their early development. In 1790, the United States had a population of 3,929,000, which compares with 3,689,000 for Canada at the time of confederation. In the first fifty years after 1790 the population of the United States rose to 17,063,000; while in the first fifty years of its history the population of this Dominion only reached 8,361,000. I have taken the United States figures from the Encyclopedia Britannica and the Canadian from the Year Book. In the first fifty years of its existence, or thereabout, the United States increased in population more than four-fold, while the population of Canada during a similar period was only a little more than doubled. This does not look as if Canada had in the last forty odd years enjoyed, under protection, the growth that it was entitled to in the normal course of events.

Or, if more evidence is desired of the ineffectiveness of protection as a national policy —that is a policy that will build up Canada— we have only to look at the figures of emigration to the United States, which our Conservative friends have been so fond of citing of late. I do not need to quote them here, for they have been brought before us quite lately by the right hon. member who leads the official opposition (Mr. Meighen). Any one who is curious can find the figures up to recent years in The Monthly Labour Review, published by the United States Department of Labour, which showed an annual exodus of 117,000 in the United States fiscal year 1922-23.

Instead of quoting these figures of the United States government, however, I prefer to cite a table from the last issue of the Canada Year Book 1922-23, page 149. In that table the Bureau of Statistics reviews the movement of Canada's population in the last two decades—1901 to 1911 and 1911 to 1921. In the first of these decades the numbers added to the population of this country by natural increase and by immigration were 2,701,217; while the actual increase in the population was only 1,835,328. In the second decade the numbers added by immigration

and by birth were 2,879,580; while the actual increase in the population was only 1,581,840. In other words in the first of these decades, one of the most prosperous in the history of Canada, and under a fully developed protective policy, there was an exodus from the country of 865,000 and in the second ten year period the loss of population was 1,297,000. Surely the existence of such figures as these after thirty or forty years of protection is evidence that there is something wrong in that "heaven-born" system as a national policy. And I am sure, Mr. Speaker, that the figures pertaining to the last decade I have mentioned cannot bring much comfort to my hon. friends to my right, because it was they who were in office from 1911 to 1921, under a highly protective system, under which Canada has lost so many people to the United States.

Now what about these factories that we hear have been closed? What is the truth in connection with that matter? Everyone knows that during the recess the hon. leader of the opposition went about Canada telling the people that two thousand factories had closed, and many of his lieutenants echoed those words. I have in my hand a clipping that reports a statement given at a conference held in the city of Ottawa in the fall of last year with respect to employment. At that conference a representative of the Canadian Manufacturers' Association stated that during the past two years thirteen hundred and fifty-one factories in Canada had closed, not two thousand, but he did not stop there, as the right hon. gentleman does. I might say that Mr. Shaw, the gentleman who made this report, stated that the new companies that had been formed during the past two years do not make the picture quite so dark. The following is the list of factories closed and new factories opened in the past two years:

Classification	Closed	Opened
Food products	240	153
Tobacco, cigars, etc.	24	12
Fertilizers and fertilizer materials	19	5
Oils, chemical, drugs and industrial minerals	85	59
Pulp, paper and printing	43	68
Lumber and wood products, exclusive of pulp and paper	271	169
Furniture and musical instruments	49	19
Building materials	81	49
Agricultural implements and tools and equipments, tractors, etc.	31	6
Carriages and wagons	18	10
Iron and steel and metal products and machinery	172	134
Leather	13	8
Leather products	10	13
Footwear and findings	24	21
Rubber goods	6	4
Autos and equipments	23	27
Toys	7	1
Glass products	6	4
Textiles and apparel	156	108
Miscellaneous including brooms and brushes, tents and awnings, jewellery, corks, etc.	73	64
	1,351	934

This shows a total number closed of 1,351, a total number opened of 934, or a net loss of 417. That is somewhat different from the statement that has gone broadcast over this country.

I think a question that many people in this country would like an answer to is whether or not industries can live in Canada without protection. I now draw attention, Sir, to two industries that are living in this country without any protection. One is the cream separator industry that has been spoken of frequently in this House, which does business in an international way and which shows no signs of closing its doors. I hold in my hand an announcement by the Brantford Cordage Company, of Brantford, Canada, that they are offering to the purchasing public of Canada 80,000 shares. I want to give to the House some of the particulars with respect to this industry. The issue is termed "first preferred sinking fund cumulative participating stock —$25 par value." Of the first preferred shares —$25 par value—100,000 shares are authorized and 80,000 shares are now being issued. Of the second preferred cumulative shares—$25 par value—34,000 shares are authorized and 34,000 shares are now being issued. Of the common shares—no par value—100,000 shares are authorized and 80,000 are now being issued. Underneath the summary of the capitalization there is a note that this company has no bonded debt. Still it has been doing business on a free trade basis in Canada for many years. Mr. C. L. Messecar, president of the company, summarizes his information to the public as follows:

> Business and property—The company is the largest manufacturer of binder twine in the British Empire and owns and operates a plant occupying seven and a half acres at Brantford, Ontario. There has been completed and put into operation last January a third mill with the most modern equipment, which increases the productive capacity of the company approximately 50 per cent.

Not only can business carry on in this country on a free-trade basis, but it can increase its business.

> The business is largely domestic, but the company's product is also exported to practically all the grain-growing countries of the world. Owing to its low manufacturing costs, the business has been able to meet all competition.

This is what he says as to its assets:

Assets (after present financing)—The fixed assets of the company, as appraised by Lockwood, Greene and Company of Canada, Ltd. Engineers, Montreal, amount, on a depreciated replacement value basis, as at August 31, 1924, to.. ..	$ 924,413 14
Net current assets, exclusive of goodwill, patents, trade marks, brands, etcetera, amount to..	1,593,419 08
Total net tangible assets (August 31, 1924)	$2,517,832 22

Earnings—The net earnings of the business, according to the certificate of Messrs. Clarkson, Gordon and Dilworth, after depreciation and federal taxes for the five years ending August 31, 1924, have averaged $269,584.33 per annum, which is 1.68 times the dividend requirements on the first preferred stock.

That is not a bad showing.

Having regard to the increased capacity and according to the orders on hand, the net earnings for the year ending August 31, 1925, should not be less than $500,000.

I think our protectionist friends had better give a little consideration to these companies that are able to do business in Canada on a free trade basis.

I wish now for a very few moments to say something about transportation in this country. First of all, we have our railway transportation about which we heard so much this afternoon. In this connection, the House knows this matter must come before parliament at this session in a specific way and for that reason I shall have very little to say at this time. In shipping grain from western Canada we first have to load it in cars. When it gets to the head of the lakes it has to go into lake-going vessels. Before it is landed on the Old Country market, it has to be taken aboard ocean-going vessels, so that it has the three steps. It can readily be understood why western members are so much interested in transportation matters and transportation costs. With respect to the first, while this matter is coming before the government and before parliament for attention at this session, I wish as best I can to refute some statements that have been made in the press with regard to earnings in western Canada on the handling of grain. I have here the net earnings month by month for the year 1924 of the Canadian Pacific railway. I have also an advertisement which that railway published in many of the newspapers of Canada giving a comparative statement of rates for similar mileage in the United States as against Canada. I am free to admit that in every case the Canadian rate was lower, but that does not mean that the handling of grain on the prairie section of western Canada is not done at a profit. I read from that advertisement these words:

[Mr. Johnston.]

Is the loss on grain traffic to be made up by higher rates on other commodities? Is it to be charged on traffic in some other part of the country or is the government to collect it in taxes from all the people?

Only one inference can be taken from that, and it is that the rates now being charged on grain in western Canada are not paying. As against that I wish to place on Hansard, not the gross earnings, but the net earnings, month by month, of the Canadian Pacific in the year 1924:

Year	Net Earnings
January..	$ 709,011
February..	938,618
March..	2,332,071
April..	1,497,607
May..	1,629,361
June..	2,462,880
July..	2,339,116
August..	3,280,706
September..	4,581,103
October..	7,090,615
November..	6,122,251
December..	4,554,047
	$37,537,386

In the month of August, when grain begins to move in the prairies, there was an increase of nearly a million over July. The figures for September are $4,581,103; and when the big rush of grain is on from the prairie section in October we find the net earnings of the Canadian Pacific Railway running up to $7,090,615. The total for the twelve months, as will be seen from the foregoing table, is over $37,000,000. An analysis of these figures will reveal some interesting results. It will be noted for instance that the net earnings for the month of October alone, when the rush of grain was on, was but $16,053 less than for the first five months of the year. Again, the net earnings for the months of September, October and November are but $1,949,448 less than one-half of the total. And if we include December we find that the four grain months exceed in earnings the other eight months by $7,158,646. These figures I think should receive the serious consideration of every hon. member who will have to pass judgment on the rates question when it is before the House. In further support of my contention that the handling of grain in the prairie sections is the most lucrative end of the railway operations, either for the Canadian National or for the Canadian Pacific, I shall quote from the report of a speech delivered by President Beatty in the city of New York a short while ago.

Mr. CALDWELL: Before the hon. member proceeds, I should like him to answer a question. Are the figures which he has given those of net earnings of the railway in ques-

tion during the time the Crowsnest pass agreement was in force?

Mr. JOHNSTON: Yes; these are for the year 1924 when the Crowsnest rates on wheat and wheat products were in full force. I would read now the following press despatch;

Would be Canada's Richest Men To-day

E. W. Beatty Says Canadian Northern Builders Should Have Served Prairies Alone

New York, February 22.—Over sixteen hundred members of the New York Traffic Club, and the largest gathering in the history of the organization, were present at the annual banquet in the Commodore Hotel here last night, where E. W. Beatty, K.C., president and chairman of the Canadian Pacific Railway, was the chief speaker. The guests included the executives of many of the larger United States railroads. W. A. Schumacher, president of the Club, was in the chair.

Mr. Beatty was accompanied by W. R. McInnes, of the C.P.R. Mr. Beatty largely devoted his remarks to a review of Canada's railway history, which was, he said, the story of the great achievement, mistakes, failures and political and economic complications ending with the most unique situation existing in the world to-day. He traced the building of the Canadian Pacific Railway, and said that the success of the company had provoked similar but over-ambitious enterprises. He referred to the Canadian Northern which, he said, while a great conception, carried to physical completion, had failed because it was built before its time and could not be operated successfully through the dislocation of war time.

"If," said the speaker,—

And I would draw the attention of the House to this.

"If", said the speaker, "instead of turning its prairie lines into a portion of a transcontinental system the owners had been content to make as their termini the mountains on the west, and the Great Lakes on the east, they would have been the wealthiest men in Canada".

There is only one inference to be drawn from the foregoing and it is, that the handling of grain in the prairies to-day is the most lucrative traffic in which the railway companies are engaged.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. JOHNSTON: Mr. Speaker, when the House rose at six o'clock I was discussing transportation rates in Canada, particularly railway rates. I also mentioned lake and ocean rates. As the latter subject is coming before a special committee of the House of which I am a member, I shall refrain from discussing it now. With respect to lake rates, in my opinion, judging from the information I have, the producers of wheat in western Canada have been harder hit by the exorbitant tolls levied by the lake carriers than they have been by ocean rates. In this connection I think it is not too much to say that when the rush of grain is on, and the rate to Buffalo is one-half cent lower than the rate to lake ports, our coastal laws should be suspended.

Now I come to a matter which probably is somewhat irrelevant to the motion before the House; nevertheless, I think it is of sufficient interest to occupy the attention of hon. members for a short time. I refer to the appointment by this House last session of three commissioners to visit the Wembley exhibition. I happened to be one of those commissioners, and as there has been some criticism of the vote, I wish to state my position in regard to it and to justify the expenditure. The hon. member for Fort William and Rainy River (Mr. Manion) told us the other day that he had discussed this vote on the stump, and when he discussed it in the House he said that the cost of the commission was covered by a vote of $20,000. He would have been more fair had he said the cost was smothered by a vote of $20,000, for the total cost of the commission was $4,200, or $1,400 for each of the three commissioners. It is not my intention to try to justify the vote upon its smallness; if it will not stand on principle, it will not stand at all; but when we take into consideration that this House voted over a million dollars to place Canada's products on exhibition at Wembley, I think there was some justification for sending a small delegation from parliament in order that they might bring back a report.

Mr. JACOBS: Particularly as all the members were also Canadian products.

Mr. JOHNSTON: Our report is now in the hands of the Minister of Immigration (Mr. Robb), and a perusal of it will show that it contains a recommendation that Canada should participate in the exhibition for 1925. Whether our recommendation had anything to do with the government's decision I do not know, but I am glad that they have decided that Canada shall again take part in the exhibition this year. I do not intend to deal with the matter in detail on this occasion; my remarks in that connection will be more appropriate when the minister's estimates are before the House; but it may be of interest to hon. members to know that all men of affairs in this country did not support the official opposition in their stand against the vote in question. I have in my hand a letter from a well known figure in Canada, and I will read that part of it which applies to the matter I am discussing:

J. FRED JOHNSTON, M.P.,
Bladworth, Sask.

Dear Mr. JOHNSTON,

May I congratulate you on the substance of the interview you gave the Saskatoon Star and which appeared September 24th, on your visit to Wembley? I have just drawn the attention of my different editors to some phases of the interview and have sent the article as a whole to the editor of The Financial Post, suggesting that he reproduce it in next week's issue.

We supported the governent in the expenditure on the exhibition, believing in it just as you do; and we also supported the action of the government in giving a grant for M.P's to go abroad. We believed that both appropriations were very good investments.

Faithfully yours,

J. B. MACLEAN.

Mr. Maclean is publisher of Maclean's Magazine.

Those of us who did go to Wembley were very sorry indeed that the chief whip of the Conservative party (Mr. Boys) was unable to go. The House knows that he supported the vote and was anxious to go, but for personal reasons he could not get away. I hope the government will see its way clear to let the hon. member go this year; and I think he should be accompanied by one or two other members of this House. I believe they could do good work for Canada by visiting the Wembley exhibition. It was our privilege the second day, I think, after we arrived at Wembley to welcome to the Canadian building certain members of the Imperial government, and the occasion was a source of great satisfaction to us.

From the opening of the exhibition in April until the time we left, an average of twenty thousand school children a day passed through the turnstiles to visit the exhibition. These children were all at the age when their minds were most receptive, and they could not but be impressed by the splendid exhibit of our products in the Canada building. I feel confident, Mr. Speaker, that if the government or the House would accept some of the proposals and recommendations contained in the report of the commissioners the cost of sending them to Wembley would be returned to this country many times.

A particular phase of the matter that I wish to emphasize is the effectiveness of the manner in which Canada was placed before the Britisher who travels abroad. It was my pleasure to meet many who intended to visit Canada. One trip through the Canada building could not but create a desire to see the real thing, and I am informed by the officials who were in charge of this end of the work at Wembley that long before the exhibition closed last fall many travellers from England were touring our country. I do think we give too little attention to this matter of tourist travel. It is estimated that last year the revenue coming to Canada from tourist travel was over $136,000,000, and the only money we spend in a direct way to induce tourist travel is a vote of $35,000. Of this amount $12,000 is used for salaries, leaving $23,000 for what may be termed propaganda. I have made the assertion, and I stand by it, that the total cost of Canada's exhibit at Wembley will be returned to this country, not by ordinary tourist travel but by increased tourist travel in a very short time. Other countries are paying a great deal of attention to the matter. In 1919, I think it was, France created a department of government under a minister whose business it was to look after tourist travel in that country. We know what Italy and Switzerland do in this connection; they almost live on the revenues derived in their respective countries from this source. I will try to give to the House some idea of the benefit that is bound to come to Canada and what we may expect if we extend our energies a little. I think they are more alive to this question out on the west coast than here in the eastern parts of our Dominion. Vancouver has a publicity commissioner who gives a great deal of time to this matter, and here is something he says:

According to estimates carefully worked out by Mr. Davison, Publicity Commissioner for Vancouver, approximately one-third of every dollar left in the country by tourists finds its way back into the pockets of the rural districts. In the year 1924 it is estimated that one million tourists visited British Columbia. According to Commissioner Davison these visitors consumed—

I am not going to give the total in pounds, but it is remarkable. What I want to get at is how this money is distributed and who gets the benefits. Canadian food products consumed amount to $30,000,000; foreign, $14,000,000. The other $92,000,000 is made up in this way: transportation, railways, steamships, $28,000,000—that is where our National railways come in; hotel accommodation, personal services, $56,000,000; equipment, clothing and so forth, $3,500,000; amusements, souvenirs and so forth, $3,500,000; miscellaneous, $1,000,000, making $92,000,000. This, added to the food consumed, $44,000,000, makes a total of $136,000,000 as the estimated revenue coming to Canada last year. As I have pointed out, all we are spending in this connection is, at the most, $35,000. It goes without saying that in no other activity do we get a like revenue for such a comparatively small expenditure. There are some things which are necessary if we are to increase tourist traffic in this

country. We are pretty well equipped so far as railways are concerned, but we must have motor highways. I was pleased that the Minister of Railways moved to amend the Highways Act of 1919 by giving further time for the provinces to earn their grants under that statute and I hope that another year he will see his way to further supplement the vote for this purpose. Tourist travel comes to our country largely in motor cars from the south and if we have trunk roads, particularly in western Canada, to connect with the state roads we will take many thousands of people into the mountain sections that we would not get otherwise. I have here a comparative statement which should be of some interest to the House. If we were to compare the value of our four highest exports during the fiscal year 1921-22 with what I might call our "export of scenery" they would be seen to rank as follows: Agriculture and vegetables, $317,000,000; wood and paper, $179,000,000; animal products, $135,000,000; foreign tourist travel, $100,000,000; iron and its products, $27,000,000. That means that the "export of scenery" comes fourth in the list, and in selling our scenery to tourists all they take away with them is an eye-full and the food they consume, we have the scenery left to sell over again. I feel that there is a wonderful field for increasing this traffic in the Old Country, and I would suggest to the government that they send to Wembley this year the same man who was there last year. He is an expert photographer, and an expert also in handling moving pictures. Last year he went out into the country week ends and displayed his pictures, and the number of visitors he had in his office at the Wembley exhibition was remarkable. The cost of doing this is very slight if we compare it with many of our other activities, and it involves no new scheme of taxation: It is simply a matter of spending a little money in a direct way to induce more people to visit our country.

I am not going to detain the House much longer except to deal with this further point: We hear to-day rumours of an election, and one wonders what the issues are going to be. We heard the hon. member for Dufferin (Mr. Woods) say the other evening that back in 1911 he was in the councils of the Conservative party when it was decided they could not defeat the government of the day by attacking their policy but their only chance was by raising the loyalty cry or starting a flag waving exhibition, and they did not hesitate to do so. Now, I was rather amused on taking up the morning Citizen of March 27 to read this from a speech by the right hon. leader of the opposition to west-end Conservatives:

> If this country wishes to maintain British citizenship on the North American continent, it must turn right about from the way in which it is being led by the Mackenzie King administration.

I was just wondering whether that was the beginning of the Conservative campaign for next election. But hon. gentlemen to my right will find a vast difference in public opinion in this country from what obtained formerly. We had the remarks of the hon. member for Dufferin who at that time was attached to the party of whom I have just spoken, and a few weeks ago we had the words of the member for Portage la Prairie (Mr. Leader) with respect to the reciprocity pact. The House will remember that he said at that time that he was sorry he had voted against reciprocity in 1911, and hoped that he would get the opportunity to vote for a similar pact at an early date. There you have an expression of opinion from Ontario and another from Manitoba. I do not believe the Progressive party is going out of existence at the next election. It received support in 1921 from many of those who opposed the reciprocity pact in 1911, and who have seen the light. My Conservative friends will have a much harder task in winning public support for their policies than they had in 1911. I have here another reason why western Canada would not give much support to the Conservative party. Here is a Canadian press despatch from Halifax dated September 3:

> Meighen Not in Sympathy With Prairie Provinces
>
> Halifax, N.S., Sept. 3.—Right Hon. Arthur Meighen, speaking here Tuesday on the rapidly growing movement of the various provinces of Canada to secure better treatment under the confederation agreement, declared that while Canada was a "hard country to govern" the various problems would largely be solved if a more human touch was established with the extremities of the country.
>
> The ex-premier said the prairie provinces think they are the only ones who have been denied the rights of the confederation pact.
>
> "I am going to tell them," he said, "that I am not in sympathy with their grievances."

Now what are their problems and their grievances? We remember very well the attitude of the right hon. gentleman in 1922 when we were striving to get the Crowsnest pass rates re-established on wheat and wheat products in that western country. Both he and his party opposed us as vigorously as they could. If that is one of the grievances he is going to tell western Canada he does not sympathize with we already have that information. With respect to tariff matters

neither the right hon. gentleman nor any person else need expect to make any headway in western Canada on a protectionist platform.

In conclusion let me say this: I believe there is a tendency in this country on the part of many people to look for governments to do for them that which they might better do for themselves. Personally I am opposed to what might be termed paternal legislation. Canada's problems to-day are not those of production. We can produce, and as a matter of fact are producing, more per capita than any other people in the world. That is established by facts. Our problems are rather those of distribution and markets. In connection with these the government certainly has a responsibility, a big responsibility, and I hope it will address itself to their solution not only with vigour but with determination.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, I wish at the very beginning of my remarks to offer my congratulations to the hon. the Minister of Railways and Canals (Mr. Graham) on this his sixty-sixth birthday. I think I am not going outside the bounds of truth when I say that I believe he is the most loved member in this whole chamber, loved not only by me but by all hon. members. It is something to be able to control or lure to oneself affection and regard as the Minister of Railways and Canals is able to do. It is possibly after all a greater success than any other kind of success that could come to one.

I am going to deal with a particular question, namely the condition that we now find in the area of the colliery towns of Cape Breton. I remember when I came to this House four years ago one of the first debates—at least the one which stays in my mind most vividly—was the one precipitated by, I think, the hon. member for East Calgary (Mr. Irvine) on a motion to adjourn the House to debate an urgent matter, which was then the proposal of the company to cut the men's wages thirty-seven and a half per cent, as I recollect, and a delegation came from Cape Breton asking that a royal commission be appointed to look into the matter. The British Empire Steel Corporation—shortly called "Besco"—is, as everyone in this House knows, a huge merger that absorbed twenty-four companies with a capital of eighty-three million dollars. They went into the merger that way, and as one company came out with a hundred and two million dollars of capital. This company is a very excellent example of pampering. They have received almost everything—subsidy, bonuses, protection by tariff and militia. They have had almost everything any government could give them. I think when I am through hon. members will conclude with me—at least if they believe anything I say—that it is an excellent example of the pampering of industry and the neglect of humanity.

I wondered before I went to Glace Bay and the towns in the vicinity of Glace Bay where the strike occurred, at mines Nos. 2, 4 and 6, how it was that people, after just three weeks of unemployment, found themselves at once on the hunger line, and almost in fact unclothed; that is unclothed when one thinks of the cold wind. I wondered how that could occur in three weeks' time. I had of course an idea that surely it could not be just the result of three weeks of not working, and I find—and my visit confirmed me in this—that the condition now existing is an accumulation, and that the cessation of work three weeks ago has merely brought the matter to a head. For four years the men have not had regular work. For a year and a half they have had almost no work. In the Dominion mines Nos. 2, 4 and 6, affecting 2,200 men, 85 per cent of whom are Canadians, and many of the younger men of whom are veterans and returned soldiers, the men worked seven days in December, six days in January and four days in February. One man said to me, "Oh we make big pay when we work". But work is the difficult thing! They get fairly good pay all right, but they were not getting much work and by the time everything was checked off that had to be checked off their pay envelopes there was almost nothing left. One woman expressed it in this way to me, "For a year and a half we have just had enough to eat. We have let the stores of furniture, of bedding and household necessities go down. We have just been getting enough to eat." So that, when the credit given by the company's stores was cut off a little over three weeks ago and they ceased work, they not only had nothing, but most of them had much less than nothing: that is, they were deeply in debt to the company's stores. Whether the miners themselves are right or are not right, their idea is this: that this little work and cutting off of credit was all a means to an end, a means of forcing the men to accept the ten per cent reduction in wages proposed by the company for the 1925 rate. I can quite realize how the very beautiful province of Nova Scotia, with all the fine hospitality and fellowship of the people in that province, resents the amount of

unfavourable publicity that is being given to it. Everyone who has talked to people from Nova Scotia knows how tremendously proud they are of Nova Scotia, and so I understand and sympathize with their feeling of resentment that so much is being said about the trouble there. Still, Nova Scotians as such are not to blame for this condition, because this company is not a Nova Scotian concern, but it has the ambitious title of the British Empire Steel Corporation. It is far outside the bounds of the province. Many of the directors live abroad, some in England and they are entirely absentee. Three of them sit in the Senate.

Mr. GRAHAM: Hard on the company.

Miss MACPHAIL: Tremendously hard on the company. I went by train to Sydney and of course one cannot go any further than Sydney by train. Then I took a street car and went to Glace Bay. It took an hour and ten minutes to get there. I was accompanied by the mayor of Glace Bay and the representative of the Great War Veterans' Association. When I got there I tried to be fair. I am sure some hon. members will find it hard to believe that. I visited some of the representative places. I visited the Young Men's Christian Association, which is the central relief station. I visited some of the sub-stations of New Aberdeen, and other places. They have funny names down there. They call one place the Hub, and another the Table land, these are different suburbs. I visited the headquarters of the United Mine Workers. I went through the hospitals accompanied by one of the leading surgeons there. I visited all the rooms of the school, and went through the school with the truant officer, a gentleman who had held the position of truant officer for a long time and had been a teacher before that. I met at least two thousand miners at a mass meeting in the Savoy theatre in Glace Bay. I read in a paper to-day the statement that I had said, that if I lived in Glace Bay I would always eat at the Savoy theatre. That was a funny thing. I did not see anything to eat there, but that is where the mass meeting was held. I talked to preachers, teachers, nurses, and miners, every one I met there. I met the wives of doctors, and all the friends of people that one meets in such a centre. I met the moderates and the reds, and by the time I had spent two days in Glace Bay nobody looked red to me. I think if I lived there long I would be a lot redder than anything I saw. The schools did not show the amount of hardship that the hospitals and the homes and the relief stations showed. I took this to mean that the people were exceedingly anxious to keep their children in school and to put their best foot forward. They put on whatever clothes they could wear and whatever boots would fit, and the children were sent to school in that way. The British Canadian Co-operative Company has been doing a really excellent work in supplying a nice dish of warm soup for the children at noon, knowing that the children are not getting sufficient food at home, and they want to keep them in good health and mental condition, so that they can continue their studies undisturbed by the strike that is now on.

I do not want to exaggerate nor to overpaint the picture. I would much rather understate than overstate the conditions, because hon. members will get tired of it. Hon. members will think it cannot possibly be true. If any of my hon. friends take that view, I have only one thing to say—go and see. It is quite noticeable that people who say there is no hardship are not on the ground, they are at a comfortable distance from it. I believe if anybody, whether director of that company or a shareholder, or a member of this government, even the member for Cape Breton South and Richmond (Mr. Carroll), will go to that district and stay there for a week or two, he will come to the conclusion that very real distress and human misery is found in those colliery towns. If anyone wants to spend an Easter recess in the interest of humanity, let him go and spend it—and I shall not be afraid of what he will find in contradiction of my remarks—in Glace Bay, Sydney Mines, Mine No. 6 or any of the colliery towns in that district. I saw some cars there and we went in one of them, a Ford sedan that succeeded in getting through the mud. It spluttered and stuttered but it got through. Four of us went in it—the little woman I spoke of before, the truant officer, a Great War Veteran official and the man who drove the car, who, they told me was a red, and myself. He was an exceedingly modest, pleasant fellow and I do not know whether he was red or not. The first place we went to was a house of the two-family type—two families living in a non-painted wooden house. The first door we went to, we were kindly invited in. There were five children in that home with the mother and father making seven. There were two bedrooms, a little sitting room with nothing in it, and a kitchen. The kitchen was small and had the usual kitchen furniture, two chairs, a

table and a stove. It had never been a home for at least twenty years. If it ever had been a house that could have been made into a home, that was a long time ago. It was a most dilapidated place. There had been decorations on the wall once, but they were not intact. I went into the bed rooms. I saw the bed clothing, and you would hardly believe it, but there was just one blanket and one quilt on one bed, which clothing, as the woman told us and as the truant officer had told us the day before, came from the relief station, and on the other bed, there was just a quilt. That was all. They were at their meal when we went in. They had been late in getting to the relief station, and as the demand is greater than the supply, they were only able to get a meal of bread, potatoes and milk, and that was a good deal better than nothing.

In the next home we visited there was a family of four including two children, one of whom was at school. This was a tidy looking place. The house was not in good shape, but it was as clean as it could be under prevailing circumstances. One child was in bed quite sick, and it had not eaten anything for a week. It did not like eating the food that was placed before it. I do not know whether it was dangerously sick or not. I fancy it was not dangerously sick, but it was miserably sick. I can give the names and addresses of any of these people if anyone wants me to do so.

The next house was that of a returned soldier with six children, five boys and one girl. This was all in the newspapers. His house was not a company house, but it was a very poor house for which they paid twenty dollars a month. It was such a poor house that they were using only the downstairs, because the roof leaked and the plaster was falling off, so that the father and mother thought it was not safe for the children to be upstairs. The upstairs was not finished; it was just one room. Downstairs, there was the kitchen and one bedroom, in which the eight people, the mother, the father and the six children slept. The baby was four months old and the next one two and a half years who had never walked. The mother told me—and I am saying just what she told me—that the child was normal when born, but was now suffering from rickets and was not in good health. It never walked and it had spindly legs, like a thumb, not like the legs that a child of two and a half years should have. By the way, the place I have just finished telling about was on the edge of the sea, only a few yards from the wholesome sea that is at our eastern gate, as we read when we come into the entrance to this building.

The next place we visited was in New Aberdeen, the home of the widow and family of a veteran. The father had been killed overseas. There were six children, one under sixteen years of age and the mother did not get a pension for him. There was another one about twenty years old who was married to a girl, both of them children to look at. They had two children and she was an expectant mother. The mother of the young man told me that she did not think it was too much to say that they had had only one solid year's work in five. That may be overstating the fact, but that is exactly what she said. She looked around at us, so helplessly. Any woman with a heart at all would feel like striving to do something. She turned around and said: "What is wrong? What is the matter? We used to be able to work and have very good times." She was a miner's wife, who had been born and raised in a mining town; she knew absolutely nothing else; but compared with her past experiences, what they were going through now she considered terrible. To me it would be unbearable, but to her it did not seem as bad as that. These places were not chosen for me, because many times when they would want to go into one house, I would want to go into another and I went into the one I wanted to go into.

Some hon. MEMBERS: Hear, hear.

Miss MACPHAIL: I see the joke. I did go into the houses I wanted to go into. We passed some fairly good-looking houses up towards the business section of Glace Bay that were not on the hunger line. That is certainly quite true. The next place we visited there was a man, his wife and two children. The place was very clean and small, possibly the neatest place we were in. The clothing was clean; the whole house was clean. When we came out, the truant officer said to the representative of the Great War Veterans' Association and myself: "I gave that man the clothes he is wearing" and the representative of the Great War Veterans' Association said: "Do you call them clothes?" That is about what one would say. He had on a red sweater that did not have any sleeves below the elbows. Still it was a sweater. I have worn one that was as bad, but I have had another. The hard part of it is that that was the only one he had. The wife was wearing a clean calico dress, which was all she had. There was nothing back of that. A little child that she told me was seven, but that did not look over four, was wearing a coat, a very decent

old coat, but no dress, and a pair of stockings that the mother had made out of cloth. She was warm inside, but she could not go outside. That is an actual condition.

I have some of these men's pay sheets. People wonder why they did not get out. They ask: What do they stay for? I wondered that too. This man worked four days, earning $14.80, but the check-off comes in: Rent, $2.14; coal, $1; attorney for his back store bill, that is for how much he is indebted at the store, $2; U.M.W., $1; relief association, 30 cents, church 40 cents, hospital 25 cents; and he had left $6.51 for a week's work.

This is what they call a bobtail. I was at relief store No. 2 and I asked a group of very fine Scotchmen who were there if they could give me some bobtailed pay sheets. They said that was one of the things they were plentifully supplied with. This is one that I was given. This man worked two days, earning $7.40. Rent was $2.88; coal, $2.30, attorney for his back store bill, $1.02; hospital $1.20. There was nothing left. This is another one, and I will not go over the items. In this case the man worked three days and had $5.02 left. In another case the man worked two days and had $1.61 left. In another case the man worked three days and had $2.79 left. These are all from the same man. The man told me he would be glad to go away and he would be delighted to get work. He would walk out if he could not get out any other way. He had no money to pay train fare. But he said: "If the company knows that I have left them and am dissatisfied with conditions and possibly a publicity agent against them, my wife and children will be turned out of the company's house," because it is a company's house he is in. He said: "I am hopelessly in debt. I once just got out of it." He told me how he once owed $143 to the company's store and had just got out of that debt when cessation of work occurred again.

It will be seen therefore that these people are actually fettered as securely as though the links of the chain that bound them were visible. Let me take another family. These people came originally from Newfoundland, the family comprising the man and his wife and two children. The woman had been in hospital for a long time suffering from tuberculosis, as I learned from Dr. Macdonald—and when I say Macdonald you will understand that it might just as likely be McLean or McLaughlin or McNeill, for these are the prevalent names. He told me that this man was unable to support his wife in the private ward of any of the hospitals and they could not take the risk of keeping her in any of the public wards. After awhile she was able to walk around and her case was really arrested. But she was instructed to procure eggs and milk and to take lots of fresh air, and in the endeavour to get the eggs they found it necessary to keep hens in the back kitchen. These people told us further that they were doing their very best to get milk and we were astonished to find that they were paying 10 cents a pint. So surprised were we at this that we took the trouble to have the statement verified and we discovered on inquiry that she was really paying 10 cents a pint for milk which was an absolute necessity in her case. And here is one feature of this case from which we simply cannot turn away our eyes: these four people, man and wife and two children, were actually obliged to sleep in one three-quarter bed, although as I have said the woman was suffering from tuberculosis.

9 p.m. I was in another home where the inmates had not so far accepted relief—and all those whom I have cited were living off the relief stations. But these particular people, whose name is dear to me, a family of five, were suffering severely. The man is an electrician by trade and of course was out of work, but they had not yet accepted any relief. I had a conversation with the woman, who told me that although they had so far refused to take any help it would not be long before they would be obliged to do so. Let us remember that these people are haughtily proud, as I learned from one man when he drew himself up to his full height, blowing out his chest as politicians do. He said, "My name is Macdonald and I will never ask for relief". And that represents the spirit of the people. These people are not craving relief and they resent others sticking their noses into their houses; but they resent more haughtily the condition that makes that necessary. To convince the House that I am not making this up out of my head, I may say that I copied from the list of sub-station No. 2 in New Aberdeen, one of the worst districts where some 228 families are being fed, the names of one family numbering seven, as well as others. Some of these names I copied are, McNeill, McMillan, McDonald, McKinnon, McIntyre and Munroe. This is the order in which I found them. I had a pleasant chat with two women at the relief station, one of whom although not an old woman in years was quite old in appearance. And that is the tragedy of womanhood there. She told me that her husband had had no steady work for a year and a half and although they were

trying to do as well as they possibly could they could not help running into debt. There were seven children in the family, of ages ranging from ten months, to sixteen years, a few of them being at school. That woman came to the station in an old sweater and skirt, without any shoes, and with a very bad blister on her heel as a result of having to wear old rubbers. How anyone could keep rubbers on in Glace Bay without strapping them on is more than I can tell. There were no number fives to fit her at the station and she was asked to come back the next day. Her name too was McDonald—I will not give her Christian name to distinguish her from the other McDonalds. And mark you, Mr. Speaker, our own neighbours in the province of Ontario are called by these very names; to hear them one would imagine one was in Priceville or Glengarry. Another woman named McGillivray had three children who could not attend school, having no shoes; it was so wet in Glace Bay, as it is everywhere at this time of year but particularly there, that they were bound to stay at home. I took her name and address for I intend to have some relief sent to this family and the one I mentioned a moment ago. This woman whispered in my ear an admonition not to forget herself and her husband because they were simply out of clothes. They had provided for the children rather than for themselves and they had positively reached the limit beyond which it was impossible for them to go. One could not help being struck by the fact that children of four years and under showed the miserable condition they were in. The children over that age are healthy but under that many of them, in the hospitals, in the junior rooms of the schools and on the streets as well, show plainly the malnutrition from which they have been suffering.

Mr. DUFF: Did the hon. member say that children under four years of age were in the schools?

Miss MACPHAIL: I did not say that, I referred to children over that age.

Mr. DUFF: That is what the hon. member said.

Miss MACPHAIL: I am glad the hon. member has expressed himself.

Mr. DUFF: I want you to tell the truth.

Miss MACPHAIL: I have great regard for the truth, but these children I saw in the primary rooms would be only two and three years of age when the hard times struck them three or four years ago, and they had been under-

nourished for the last two or three years. I do not say of course that this is true of all the children there but the fact is that the hospitals are filled with such cases as I have described. And I want to say in passing that the hospitals are excellent institutions. I went through St. Joseph's and the General hospital and they were exceedingly sanitary and well kept. The matron who showed me through the General hospital and the sister with whom I went through St. Joseph's are fine types of women. I did see little babes particularly that were quite unhealthy looking as the doctors and nurses informed me. I took their word for it, for I suppose a casual visitor would not be able to tell that there was anything organically wrong with them, from a passing visit. And they were all suffering from more or less similar conditions—ulcers, ricketts and all sorts of anaemic disorders; and there was one little baby with a paralyzed face, an infant about three days old. This of course was something that might be found anywhere else, and I was glad when the sister told me that the little thing would soon be going on. In the hospitals I noticed that all the doctors and their wives as well as the nurses and everyone connected with these institutions were very much concerned over the situation, because the hospitals depend upon the miners who contribute about 60 or 70 per cent of their upkeep. As a matter of fact, the miners are the population and they keep the hospitals and everything else going. One doctor who accompanied me on my visit of inspection expressed himself in no uncertain terms, and not as mildly as I am repeating them to-night, with regard to people who through the press and in their public utterances would lead Canadians generally to believe that no distress existed down there. He told me that a week ago yesterday he was called to see a patient in a home where he found a family of eight, six children with their parents, in absolute destitution and entirely without shoes. He went to the relief station and obtained three pairs and out of his own money he bought five pairs at stores in Glace Bay.

The relief organization now existing there really grew out of a temporary and voluntary relief group of seven people, among them a very noble Jewish woman and a reverend gentleman, Mr. McAvoy, the wife of the mayor, and the little deaf woman who showed me about—the others I do not know; those were four of the original seven. They started this relief organization before the cessation of work three weeks ago because they knew there were children who could not go to school as they were not getting enough

to eat, and there were adults in the same unfortunate position, so these seven persons busied themselves in gathering up from those who had to give it to those who had not. You see, the public opinion of Glace Bay, in fact the public opinion of the whole of Nova Scotia for the first time is supporting the miners. I am sure those who are familiar with Nova Scotia will admit that public opinion to-day is very much stronger on the side of the miners than it has ever been. It is becoming apparent to all who live in the colliery districts that their living is being sucked away by this process of strangulation of the miners. And so you find the whole middle class—I suppose you would call them professional people; I do not know whether in Canada we have lower, middle and higher classes, or not. I am not quite clear as to that—but at least doctors, merchants, ministers and their wives, have thrown themselves without reserve into this relief work. I saw in to-day's papers, and have no doubt other members also noticed the paragraph, that Mrs. Macpherson, the Salvation Army woman who has worked there from the first, says that the schools are likely to be closed because the salaries of the teachers cannot be paid. I now recall that when we visited one of the schools there the principal told me that they had not got their salary for last month. Although she said it in a joking way, it shows how dependent everybody is on the miners.

I want to make it clear for the sake of the real workers, I mean the miners themselves, that it was on the advice of these noble professional people who have interested themselves in their condition, that they turned down the gift of $5,000 sent to them by Russia. I said outside the House of Commons, and I want to say it here, that I think it is a very dubious compliment to Canadian intelligence that the miners of Nova Scotia and those who are working with them thought it necessary to turn down such a substantial gift in order that those people and their wants might remain respectable in our eyes. We are indeed a smug, self-righteous people.

You can imagine how chained these people feel. Surely we can get something of their sense of not being able to get out of a hideous situation when we find that they cannot even get representation in parliament because their constituency is pocketed in a larger one which they cannot influence—or at least by reason of the methods employed in elections they cannot influence it. I am sure this House, I am sure members of the government, and I am sure the members who sit for those constituencies have no idea how deep the resentment is, how intense it is, and how quiet it is. These people are not broken; do not ever think that. They feel that they have not got justice anywhere. Whether they are right or wrong I am not saying, but that is their feeling, and after all it is this kind of feeling that makes such a situation as exists there now a very dangerous one.

I want to describe the town so you will know how I felt when night came on. Up town are electric lights and a sewage system, there are some paved streets and sidewalks, there is the Savoy theatre and there are some stores and rum shops—these are closed now. That is, there is a town there. But when you go back where the great majority of the people live there are no electric lights, there are no sewers, only open gutters flowing on each side of the road; there are a few houses where there is a way of getting water in, but for the most part there are absolutely no sanitary conveniences at all. Just now in the springtime it is a bog hole, and when night comes, whether in the springtime or not, unless there is good moonlight the place is plunged in absolute darkness. After we had seem all this, after I had seen these women whom I have described, and after I had visited the hospital and met the relief workers and eaten my lunch in the relief headquarters, I said, "Is there anybody really red in this locality, red, red, red, the redder the better?" And they said there was one man. You know his name, it has been bandied about from time to time—J. B. Maclachlan. Then I said, "Take me to J. B. Maclachlan; I should like to see him." We went to the Labour Herald office. You know it prints wild things—and we too would print just as wild things if we suffered what they have suffered. I said—and I repeat it now, for you cannot arrest me—I said, "What is the worst thing Maclachlan ever said?" One man replied, "The worst thing I ever heard him say was 'To hell with them.'" I said I will add to it, "and make it snappy." You know that old joke about "sedition". Really it would be just as well if we never again charged a man with sedition in Canada. Do you know who Maclachlan reminded me of? Well, you would be surprised—J. J. Morrison; and I doubt if I can pay either of them a higher compliment than to compare them one with the other. Why, he has a beautiful home life. He is endeavouring to break the bonds, he is endeavouring to save a little money to buy a plot of ground and a home, he is endeavouring to get some culture. He has a beautiful family, a rosy-cheeked wife with a rolling

Scotch tongue. And he is a man who has always stood for good citizenship. When I think of some of the things said by those who call themselves "good" citizens, I wonder really where we are going. Of course, these men say wild things. Naturally they do. They say awful things. But no one could blame them. Anyone who went to the same place and lived through the same conditions would, I am sure, say the very same awful things. And I want to make this clear, because I think members of parliament are human—that means I have great faith in them—I believe they are. Mr. Maclachlan told me this story, which he did not intend I should repeat in parliament, and I am sure he will be horrified to read it. He told me that years ago, the very first time he ever came to Ottawa to negotiate between the miners and the company—just about the beginning, I suppose, of this Besco concern, I cannot say whether it was before this or not—but at least it was some years ago, when the company's representatives and the miners' representatives entered the Chateau Laurier—he had forgotten its name and I had to tell him—when they sat down in the rotunda and looked at the luxury around them, he said, "I wanted to say something nasty, the nastiest thing I could think of, and I turned to the company's men and remarked, 'If you could bring the miners of the colliery district of Cape Breton into this place, you would not settle this wage dispute as you intend to settle it, and as you will.'" I appreciated that statement of his. Do you know, I am often struck by the fact that people who live at places like the Chateau Laurier pass the bill down, and the people who pay for it are never there? You see, my sympathy is very deep for these people, because they are primary producers, and their problems are just our problems only possibly in a more aggravated form.

Mr. CAMPBELL: And because they are mostly Scotch.

Miss MACPHAIL: Yes, I sympathize with them also because they are mostly Scotch. Other people corroborated this very story. One man, not Maclachlan, but a very moderate man, one whom the government would do well to encourage, said, "When some of our men went down to Truro last year to the annual convention, for days after they came back they could not talk about anything but the beauty of Truro." They said, "We did not know that such towns, with such homes for ordinary working people, existed." These are the facts. It seems almost ridiculous to think it could be true that anybody had not travelled that far away from home in this advanced day of civilization. One woman told me she had not been out of Glace Bay for twelve years because she never felt she could afford the money that would take her over to Sydney and back—seventy-five cents. On the other hand, I do not want to suggest for a moment that miners, when they have money, are not good spenders; I rather think they are. I think that when they were making money they possibly spent it freely. Indeed, I am sure they must do so in order to forget the barrenness and dreariness of their lives as much as they can. It would be but natural to think that, when you consider how utterly lacking in beauty this place is. I never saw anything so devoid of beauty as Glace Bay in the spring. I wish you could see it—those bogs for roadways, with open gutters at the sides of them; those squatty, painted houses, row on row; the bleak winds of the sea; no vegetation, no trees. I can quite believe that when these people get money they buy a car; they go to the Savoy theatre twice a week or as often as their funds will allow. They cannot make their homes comfortable; they are in the grasp of circumstances too great for them. And just a quarter of a mile away, up town, there are at least paved streets, bright lights, rum shops and the Savoy—do you wonder, then, that they flock there, where they can get at least what they think is some little pleasure?

It would seem to me that the best safeguard of citizenship would be to strive to make the miners help themselves; not to try to break their union, but rather to encourage them sanely to get themselves on such a basis that their standard of living will be equal to the standard of living of other Canadians. I thought Mr. McLeod, president of the United Mine Workers for District No. 26, an exceedingly sane man. He is a moderate; in fact, they accuse him of being too moderate. At least he is anxious for the best things for the men. He knows that if there is any outbreak on the part of the men, it will be the men, not the company, who will suffer; he knows that there will be men thrown into prison, as was done before, and that they will come out with broken, embittered lives, the very worst influences in the community. So he is striving to teach the people and to get them to see that if they could once get out of the clutches of the company's stores and into a co-operative store of their own; if they could only get houses which they partly owned and could continue to pay for and try to beautify; if they would strive to work together through their unions for the good of all—that that is the way out, not in raid-

ing stores, breaking windows, and that sort of thing. His influence is all for the good. This government, the company, or anybody else concerned in the affair, ought to be glad to encourage the continuance of a union under the leadership of Mr. McLeod.

I would not like the company to think that if they break the union which exists now they will have broken everything. What I think will happen—and many people have voiced this opinion to me—if the union is broken, as has been done among the steel workers in Sydney, is this: a much more radical organization will take the place of the union, an organization that possibly even we would not want to see.

I could not help but be struck by the tragedy of womanhood in that place; because to be a woman in a colliery district is a tragedy. Their youth is brief; there are many children; there is poverty, age coming quickly; dependency, and death. I do not know how they have kept the little spark of life that their faces still show: there were some young men and some young women who were hotly resentful of the conditions and not afraid to voice their feelings in the matter. But for the most part, especially if they had many children, their attitude was subdued, pathetic —I can think of no other words that so well describe it.

I would like to ask this government, have they an immigration policy? Or is it true that it is people like Besco and the railways and organizations of that kind that have an immigration policy? We find that Besco has been bringing in immigrants, even during the worst times; they have agents stationed all over the world who are bringing in immigrants, dumping them down where there is no work for them and doing absolutely nothing for them after they get them here. Do you wonder that labour resents that sort of thing? Do you wonder that all the resentment that these years have built up is directed against that company? No, you cannot wonder that they are resentful. Much money is spent to bring immigrants to Canada. These Scotch-Canadians—with the exception of some Scotch-Canadians—are the very best citizens we have; yet the women who give us these good citizens are not cared for; they are left to shift for themselves. What about them? This is the attitude that seems to have been taken by all governments, provincial and federal up to date.

It did not seem to be difficult for the company to get protection on coal, but the government gives no assurance that that protection is to go down to the worker.

Some hon. MEMBERS: Hear, hear.

Miss MACPHAIL: Was that the thirteen? It looks to me as though the very great distress of the miners of Cape Breton to-day has been used by the company for their own protection. While the papers of the east heralded the announcement in the budget as a great thing, I did not find the miners thinking that—and I was in the town the day the budget came out; they felt entirely hopeless regarding anything that protection could do for them. They knew where that protection would go, from past experience.

When you think of it all—and I have almost finished with this tale of woe—when you think of it all, do you wonder that these miners have come to the conclusion that industry is heartless, that the courts are unjust, that all politicians are rascals? Do you wonder?

Some hon. MEMBERS: Oh, oh.

Miss MACPHAIL: That is what they think.

An hon. MEMBER: I hope they did not think that of you.

Miss MACPHAIL: I am not a politician. One cannot but be surprised at the attitude of the Nova Scotia government, one of continued indifference, apparently, to a very grave situation, a situation which at any moment may break out into something really terrible; because we are only depending for relief on the generosity of Canadian citizens. It is hard to explain the attitude of the Nova Scotia government unless it be that they are afraid of this industrial monster; that they are more anxious to court its smile than they are to save to happiness and good citizenship many thousands of our fellow Canadians. One can almost imagine them asking themselves: What to them is environment for miners that will produce strong men, happy women, and healthy children; what to them the final destiny of our country, so long as power remains intact? Of course the government here can say there is a technical difficulty and that that prevents them from doing anything. They cannot send relief; they cannot inquire into this thing, because the Nova Scotia government, which lies closer to the miners, has done nothing. But I have seen this government find its way round technicalities before to-day. If the heart of the government was really anxious to do something to relieve the great distress among the people in the island of Cape Breton, they would find a way round the technical snag.

Really to my mind the whole cause of it all is this: We have put the commercial value

of making dollars and cents above the making of human life and creating comfortable conditions of living. I cannot think it is due to anything else. Our citizens will go on I am sure doing what they can to supply the needs of Cape Breton. Down there they are looking with great gratitude, almost with amazed gratitude at the wonderful things the city of Ottawa has been doing for them. Other places are following suit, and I am sure that the desired relief will come pouring in. But it is a peculiar situation that the governments concerned—the local government and the federal government—cannot come to the assistance of these people; that they can do nothing for the miners but leave it to private people to tax themselves to provide the necessary assistance.

I have nothing more to say. I leave the problem to the government. For it is a problem, and its solution, possibly, will demand something more than direct relief. It may be that there will have to be a genuine shaking up before long. I do not know whether that time is now or not, but I do know that when Canadian public opinion is aroused, and it is being aroused in this case, it is not going to stand any more fooling on the subject. I really feel sure of that.

Mr. C. H. DICKIE (Nanaimo): Mr. Speaker, I am afraid that any words of mine may seem commonplace after the eloquent address by the hon. member for Southeast Grey (Miss Macphail) to which we have just listened. However, I am going to put a few common sense arguments before the House in an endeavour to do something to alleviate the condition that prevails in Canada to-day. My remarks are going to be brief. The hon. member for West York (Sir Henry Drayton) and the hon. member for Vancouver Centre (Mr. Stevens) in eloquent speeches have pretty well diagnosed the existing situation. It only remains for me to touch simply the high spots. These hon. members, with their actuarial minds and brains, have handled the problems before us in a much better manner than I can do. Suffice it to say that extricating the situation from the maze of clerical and arithmetical intricacies in which it is involved we find that in Canada to-day we are $100,000,000 poorer than we were a year ago. I think we will all admit that the liabilities of Canada are greater by $100,000,000 than they were at this time in 1924, a very serious state of affairs.

Now, what is the remedy? It seems to me that in discussing the tariff there is one vital phase that is lost sight of, and that is the necessity of keeping our money in Canada. I remember in speaking before in the House on this subject but the point did not seem to be appreciated to the extent to which it should be. We are sending out of Canada every year $300,000,000 to our friends across the line. Three hundred millions from a population of nine millions of people means about $33 for every man, woman and child in Canada, how can we pay that huge amount and succeed? We must stem the outflow to some extent; we cannot do it entirely. After paying our interest debts to England we have a fair balance of trade of about $92,000,000. We take that and we hand it over to our American friends, and our total contribution to them to-day amounts to hundreds of millions of dollars. We cannot succeed if we continue doing this, and the remedy for this state of affairs, is, I consider, to keep our people from buying so much from the United States. We have to trade with these people; we know that they are good friends; they buy from us and we buy from them; but still it seems the acme of nonsense that for iron and other metalliferous and non-metallic products we sent $265,000,000 to the United States last year. We also sent $78,000,000 for agricultural products, a total of $343,000,000. This sum that we sent to our neighbours across the line we could very well cut in two and thus save Canada a million odd dollars. The remedy is to import fewer goods. Last year we did not import quite as many as have been imported in years gone by. The reason was that we were not able to do so. Another reason was that many of our people are now living and working in the adjoining republic and are making their purchases there.

We talk of the hard times. It is pitiful to hear a tale such as has been told by the hon. member for Southeast Grey. On the other hand we were assured by the Minister of Labour (Mr. Murdock) that times were better in Canada than they were in the United States; that in the latter country there were 20,000,000 of people out of work. We were also told by the Prime Minister that the factory whistles were blowing at midnight throughout Canada. The factory whistles are not blowing at midnight in the town of Woodstock as instanced by the Prime Minister. The Bain Wagon Company had a little rush order on sleighs and they worked for a while at night but the factory whistles are not blowing there at night now. It has also been proved that they are not blowing at night in the case of the factory in Orangeville. What is the good of trying to tell people that times are good in Canada. We would like if that was

the case, but times are not good in Canada, and they have not been good for some time. It is almost impossible to enlist capital in any industrial enterprise in Canada to-day because manufacturers are distracted by taxation, not knowing which way to turn. One reason is that the people have not the confidence in the government that they should have, although I am not going to emphasize very strongly that feature of the situation. We have our frightful railway problem, that "old man of the sea," bestriding us, and I do not know what the outcome of the situation is going to be. We must stop this drift to the country to the south if we are going to succeed. We are told that our people are coming back from the United States. In 1924 there were 41,000 returned but there were 161,000 that went, so that we cannot attach undue importance to any reported repatriation movement. Our people are still going to the United States where times are better and the opportunities are greater. It is just possible that in the adjoining republic, where they have had a period of uprecedented prosperity, things are now a little quiet, that they have passed the peak of the anticline. We in Canada have been wallowing in the trough of syncline; we have never got to the same stage as our neighbours as far as prosperity is concerned. In years gone by when they had prosperity on the American side it was sometimes reflected in Canada; we had a certain degree of it here. When it was a case of our people leaving Canada and going to United States it lessened our population; and I ask you, Mr. Speaker, what would have been the experience in the case of our bread lines if a portion of our population had not gone? Instead of having thin bread lines we would have had bread battalions, and the burden would have been too great for Canada to bear. Strong virile men have been leaving this country and going to the United States instead of staying here and swelling the bread line. It is a great pity. I remember going back a few years ago into the county of Oxford through the country that I was familiar with as a boy. In those early days at every prominent four corners you could see strong, husky Canadians tossing the caber or indulging in other athletic exercises. Where are those men now? The government says that we must reduce the cost of living. In those days one could live for $2.50 a week. Living was as cheap in Canada as in any other country in the world. Those strong men to whom I refer have left the country but did they go to other countries where living is cheaper? Are they living in equatorial countries where bread fruit grows on the trees and when the tide is out the table is spread? Not at all. Some of them went to the great west to Deadwood, Dakota, to Leadville, Colorado, and others again to the Yukon where ham and eggs cost a dollar or two a plate. They were not looking for cheap living. Cheap living is a fallacy in any country. You can always go some place and live cheaply. The thing is to have such a living that the agriculturist, the market gardener, the poultry man, the fruit man, the produce man, and everybody else can succeed. It is impossible for a small farmer to succeed in the neighbourhood of, say a great city, if living is unduly cheap. It is the ability to purchase, not cheap living that we want. Daniel Webster once said:

> A well-employed and prosperous community can buy and consume; an ill-employed community cannot do so. This is a solution of the matter. The whole science of political economy is not one half as important as this.

What we want is earning power. We want a chance for our people to earn money, and when they have earned money they are willing to pay decent prices. I have every sympathy for our friends the Progressives. Personally they are gentlemen, but I think, Sir, if they persist in the fallacy of free trade that prosperity for Canada is absolutely impossible. I do not think there is any chance for Canada being prosperous under such a policy.

An hon. MEMBER: Cheer up.

Mr. DICKIE: I do not need cheering up. I am cheerful. The only remedy for Canadians is to buy more in Canada, and the only way we can induce them to do that is to keep the people from buying across the line. I believe in an adequate protectionist policy that will make the people buy at home. If necessary in order to make them buy at home, I would not hesitate one moment to put our tariff wall one brick higher than the tariff wall of the country to the south of us. Why should we be guided by these people, they having a population of a hundred and ten million, and we a very small population? Why should we govern our action by their policy? Our small country requires much greater protection than the great country to the south of us.

I have very little sympathy with the talk of secession. We are Canadians, and I think if we buckle on our harness and put our backs to the south we can make this country one worth living in. We have wonderful potentialities. In the great Laurentian and pre-Cambrian plateau, we have the greatest potential region in the world to-day and the greatest possibility for gold mining. We have in the west our

wonderful forest resources not yet exhausted. We have wonderful potentialities, but we must have a spirit of compromise. No country can succeed if its industries do not succeed, and our industrial institutions cannot succeed in Canada without an adequate tariff. Our friends to the left of us here desire a good price for their wheat, and when wheat goes to two dollars a bushel every man, woman and child in the country is glad. Of course the cost of living goes a little bit higher because of the rise in the value of wheat, but we are glad that one part of the country is successful. However, when we ask them to stand a little tariff, and perhaps pay a little more for agricultural implements in order that thousands of people may be enabled to live in our industrial centres, they fall back upon the old cry of "Free trade, free trade." I say that free trade is the curse of England to-day. If it were not for a lot of economically silly old college professors with peculiar ideas they might have had protection in the Old Country. Why, Mr. Speaker, should we say that all the rest of the world is wrong and we are right—all except England—poor old England with a million and a half unemployed, using goods made in France, Belgium and Germany made by men who are working for cheaper wages than those paid in the Old Country? England wants protection and wants it badly, although no country in the world is better situated to succeed under a free trade policy than England.

I am going to worry the House a little with another question of which I am sorry to say no mention is made in the budget. I refer to the export of our raw material from Canada. Editorials have appeared in many of the papers in Canada with respect to this question. A pulpwood commission was appointed in 1923 and travelled through the country at an expense of $75,000 and collected a lot of useful information, which was well compiled. There were two practical men on the commission, and against whom or the other members I am not saying anything derogatory. Mr. Anstie, from British Columbia, vice-chairman of the commission whom I know well is quite heavily interested in timber, and it would be to his advantage to prevent saw logs leaving British Columbia. I know it to be a fact that the other gentleman, Mr. McLellan, from New Brunswick, is or was very largely interested in the export of pulpwood, and it would be to his interest that pulpwood be exported. This commission travelled through the country listening to testimony in all parts of Canada, but the evidence was absolutely one-sided. The commission compiled a fairly good report and made very sensible recommendations to the House of Commons. Wherever they went the people who were interested in exporting our forest products saw to it that their case was well presented by able lawyers. The general public was apathetic. I know that was the position in British Columbia. I stated last year on the floor of the House and repeat to-day that although the evidence of British Columbia was against the export of our raw forest products, if a plebiscite were taken I think seventy-five per cent of the people of British Columbia would vote to prevent our sawlogs being exported to the sawmills on the other side. The commission did a good work, and their findings were fairly reasonable, all things considered.

The investment in the pulp and paper industry of Canada in 1917 was $187,000,000. In 1923 we had $417,000,000 invested, which shows the wonderful strides the industry has made. There were at that time 29,234 men on the payroll, the amount paid out being $37,243,000 annually. In 1924 we exported 1,444,693 cords of pulpwood, for which we received $14,322,714, and the manufactured value of a cord of pulpwood was $63.44. Had this 1,444,000 cords that we exported been manufactured in Canada it would have had a value of $91,651,313, less the amount received, $14,322,714, making a loss to Canada of $77,328,599. If pulpwood exports were manufactured in Canada, this 1,444,000 cords would justify an expenditure in a pulp and paper plant of $125,000,000, and would mean the employment of approximately 10,000 men, with a payroll of $12,000,000 a year. That is what we are losing by shipping the pulpwood out of Canada. In the year ending March 31, 1924, Canada exported in pulp and paper to the American side, $144,030,679.

When the question came up in the House a year ago the Prime Minister said he would not favour any duty or embargo on pulpwood that would interfere with the farmers or settlers who were taking wood off their wood lots. The farmers export sixty-five per cent of the total export according to the report of the commission. That would amount to 938 thousand cords. For this they receive $9,380,000 less freight charges. If this pulpwood had been manufactured in Canada the value would have been $59,469,000, less amount received, $9,380,000. Canada's loss would be $50,089,000. The farmer's average receipts per cord of pulpwood amounts to $6. For these 938,000 cords in 1924, the amount that the farmers and settlers received was $5,628,000

It must be borne in mind in connection with the commissioner's report that many bogus settlers take up land in the clay belt just for the sake of the timber. After the timber has been taken off or is depleted, they abandon the property. The report mentions these bogus settlers, but in the premises I am stating at the present time I am assuming they are all good, legitimate settlers. If they were compelled to sell in Canada, they might get 25 per cent less than they get on the American side. This is quite a substantial reduction, and supposing the market existed, the farmers loss would be $1,400,000. Therefore, Canada loses $50,000,000 in order that the settler or farmer should make $1,400,000. I defy anyone to contradict these figures.

The total exports of wood, wood products and paper to the United States in 1924 were $230,000,000. From this, one can realize what our adverse balance of trade with our neighbours to the south would be were it not for our exports of wood, wood products and paper. Still, we are recklessly depleting our forests and shipping our raw wood to our friends across the line instead of having them come into Canada and do the manufacturing here. It is not only wood that enters into the manufacture of pulp and paper. Many men are employed outside. Let us take the materials used in the pulp and paper mills in the Abitibi district. In 1923, a record was kept of the number of freight cars that passed in and out of the yards of the Abitibi Power and Paper Company at Iroquois Falls in northern Ontario. The total was 30,801 cars, of which, 5,923 cars contained paper, 2,052 cars, coal; 6,169 cars, pulpwood; 148 cars, sulphur; 178 cars, limestone; 88 cars, alum; 24 cars, oil; the balance being empties. That shows the immense traffic that is furnished to our Canadian railways by these pulp and paper companies.

In British Columbia the logging exports in 1924 amounted to 240,000,000 feet B.M., and from government lands, licensed lands, 46,000,000 feet B.M. Sawlogs from licensed lands are not supposed to be exported from British Columbia, but the law is more honoured in the breach than in the observance. The reason is that, if there is a greater supply of logs than is required in the mills, because of conditions which exist there, the principal one being that our logs, if they lie in salt water too long, become infested with the toredo and are a loss, the privilege is accorded of shipping the surplus supply of logs across the line. That is just the same as if we had no barrier at all. We have enormous camps there under American capital with their railways extending into our forests, and as long as the British Columbia mills can secure all the logs they need, the balance is exported.

Last year we cut in British Columbia 2,550,000,000 B.M., twenty-five per cent greater than the cut of any previous year. In British Columbia, Washington, Oregon and California, it has been recognized that the last great stand of timber exists on the North American continent, and we are going through it as a reaper would go into a field at the present time. We still have a great deal of timber in British Columbia and should conserve it. We do not want to ship it to the American side and see our men following it. I am sorry to say that if you go, as I have had many times to go through these camps, you will find very many workmen who can scarcely speak our language. They are Russian Finns, Scandinavians, a splendid type of men who do our logging, but unfortunately, most of them are single and they are what we call a floating population. When wages and opportunities of employment are better in the United States, they go to the other side of the line. When they can get better wages in Canada, they come to our side. They are not the class of people we like to have, not because of any question of merit, but because they are a nomadic people. In British Columbia, I do not know whether our Anglo-Saxon people have been contaminated by jazz music and rotten Hollywood shows, but they do not take kindly to logging camps.

Mr. BROWN: Do I understand the hon. member to be advocating a tightening up of the embargo on logs?

Mr. DICKIE: If the hon. member will give me a little time, I will suggest a remedy.

Mr. BROWN: The hon. member dealt with that already and I was not very clear just what he had said.

Mr. DICKIE: I am dealing with the sawlog question now. A little later, I will suggest a remedy, and probably my hon. friend will agree with my suggestion. At the present time I am dealing with the appalling depletion of timber in the west. I remember distinctly the condition of affairs in Michigan in the early days. In those days I was privileged to go through a good deal of that country, being a log scaler. I remember standing in those virgin forests as a boy and thinking: Well, here is timber for the world for a thousand years to come. Wherever you looked there was a splendid stand of virgin timber. Ten years from that date they were importing sawlogs from the

Georgian bay to keep their mills going on the Saginaw river. They went through that forest as a reaper would go through a field of grain; The woods were filled with industrious, capable, cheerful men from the province of Quebec, men for whom I have a great admiration, whom I have envied, men always happy and industrious, with whom one had no trouble at all and who were quite satisfied if they were accorded fair treatment. I do not know where that race has gone now. We have but few of them in the west. Even in my time that section of Michigan has been entirely depleted of timber and they are importing lumber from British Columbia into Michigan every day. In Wisconsin, the same condition exists. In northern California, in the counties of Mendocino, Humboldt and Del Norte, where the red woods used to come down to the Pacific shores, the forests are shoved up the rivers into the mountains. The forests there are being depleted very rapidly. People will say that the forests will grow again. In Oregon it has been demonstrated that it takes fifty years to grow a tree one foot through, and that applies pretty well in all parts of the Pacific coast where growth is really prolific. If any hon. member cares to go out and count the rings on the cross section of a tree in the grounds adjacent he will easily be able to prove that what I am saying is correct. I will guarantee he will find fifty annular rings in the first foot and no more, but if you count them for two feet, you will find that there are 150 rings. That means that a tree two feet in diameter is 150 years of age. The larger the tree, the slower it grows, and consequently you have to figure on 150 years to get what we call a good British Columbia sawlog. People will say that the annual increment keeps up with the depletion and they use every argument they can in order to defeat any restriction being placed upon the export of sawlogs. In northern Ontario, and, I know, in British Columbia there are great areas of what we call mature forests. Trees, as with leaves, have their time to fall. They live only a certain length of time. I have walked through those silent aisles of the forests with great columns rearing themselves on all sides, and have seen dead tops in all directions, trees ripe and dying. There is no annual increment in mature forests but there is an annual decay. After the trees have become ripe, and once they have reared their crests heaven high, the trees begin to die and when they die there can be no increase in forest growth until after a fire or destruction.

[Mr. Dickie.]

I come now to the question of hardwood logs. I am not very familiar with this question but with the permission of the House I shall read again from the Financial Post an extract which I quoted a year ago. I do not like reiteration but I have not seen the point disputed and the article I am about to read shows the necessity for some action.

The Ontario legislature will be asked to approve of legislation placing an embargo on the exportation of hardwood from the province. The measure is designed to force United States plants in Minnesota and Wisconsin to cross into Ontario to manufacture their products if they desire to use Ontario hardwood. The measure is similar to the pine embargo of some years ago. That measure resulted in many saw mills locating in the north. There are about 1,300 hardwood plants located in Wisconsin and Minnesota. Henry Ford entered the area and purchased practically all the available reserves. The estimate made to-day is that the end of seven years will see but 100 to 110 of these plants remaining because of the exhaustion of their supply of raw material. Realizing this there has been a rush into Algoma, United States concerns have eagerly sought control of the available limits on the Canadian side. It is understood that one American concern made a contract to ship 100 million feet of hardwood across lake Superior. This was to have gone to the Iron Mountain plant of Henry Ford. Ontario's reserves of hardwood are limited. The estimate is that the small area in which hardwood thrives contains 6,500 million feet. This includes the big forest reserve and runs north to the border of the clay-belt. In discussing the embargo, Hon. James Lyons, Ontario's Minister of Lands and Forests, pointed out that some years ago the numerous saw mills around Saginaw and Bay City, Michigan, were importing Canadian logs heavily. An embargo was placed on their exportation with the result that there is $75,000,000, invested in saw mills around the Soo to-day. The Canadian Pacific Railway line, Soo to Sudbury, is studded with them. He also points out that in 1900 there was an embargo in regard to pulp with the result that $190,000,000 are invested in the pulp plants of the province to-day.

The forestry department's statistics claim that there is in Canada of pulpwood 871,720,000 cords, 65 per cent being first class. Of this, merchantable spruce and balsam amount to 580,000,000 cords. In Ontario, Quebec, Nova Scotia and New Brunswick there are 280,000,000 cords of which approximately 5,000,000 cords are cut annually. The forestry department estimates that cutting, fire, insects, winds and decay deplete the forests to the extent of 40,000,000 cords annually. In the last ten years it is reported that the spruce bud worm has destroyed 100,000,000 cords, and Mr. Sebrecht, a forest authority, puts it at 150,000,000.

Mr. Barnjum, rightly or wrongly, has been traduced all through the west, it being alleged that his motives in this matter are not unselfish. I have heard propaganda which has been inspired by people who were anxious to export our pulpwood and who declare that his actions are actuated by selfish considerations. They impute unworthy motives to him; but I

know that he has spent a fortune in trying to impress upon the Canadian people the advisability of preventing the exportation of our forest products. Now, with regard to the growth of trees, in order to emphasize the facts I desire to quote from an article that comes from Nova Scotia:

"Most extravagant ideas exist as to the rate of growth of trees, observations of single trees growing in the open being taken as a basis to be translated into performance by whole acres of trees. The idea prevails that Nova Scotia spruce in the Nova Scotia climate is growing at an extraordinary rate. As a matter of fact, while it can be stated that the climate is most favourable to reproduction, i.e., to the establishment of young growth, the rate of growth of trees in the forest is not very different from the ordinary rate to be found in the New England States under similar conditions.

"Some 550 trees were analysed as to their rate of diameter growth, and a number of sample plots were measured to arrive at a conception of growth conditions. From these measurements it appears that to produce a spruce tree, 12 inches in diameter on the stump, may require from fifty years for the most favoured trees, to one hundred and seventy years for trees which had for a long time to compete for light with their neighbours. The unusually rapid-growth trees are, to be sure, found only occasionally; the much more usual rapid growers require eighty to ninety years to make the 12-inch diameter.

That shows how long we might expect to look for a new forest. I know mountain sides that were logged or burned forty 10 p.m. years ago in British Columbia where now there is little sign of any new forest of the Douglas fir type. Usually when a Douglas fir forest is destroyed it is re-seeded by hemlock or broad leaf trees. There are of course new growths of fir forests in different places where the conditions are ideal but as a general rule this does not occur. After severe fires, for some reason or other we get a growth in many instances of hemlock instead of fir. Anyone who has been through the southern Kootenay country, as the Minister of Public Works (Mr. King, Kootenay) has been, knows that around Eholt, Grand Forks, Greenwood and those places where there was formerly a good growth of pine there is now little but poplar. The remedy is to prevent the exportation of our raw material and otherwise to conserve it as much as possible. But what I have read may not appear alarming unless I read something else—the recommendation in the concluding part of the report of the pulpwood commission:

So far as this commission is concerned, we have clearly pointed to the fact that some steps must most assuredly be taken whereby the annual drain on the spruce and balsam supplies of eastern Canada must be very greatly reduced. In some parts, this object may possibly be attained by the complete elimination of fire and insect losses; in other cases, it can only be attained by the elimination of such losses plus the reduction of the amount of spruce and balsam used either in local industries or in export. It has been thoroughly pointed out that in the Maritime provinces the timber supply situation is extremely serious. On the theory of "ultimate exhaustion"—

And just a word on that phrase "ultimate exhaustion." Long before that time comes manufactories close down and all you find is the wreckage of saw milling towns and camps.

On the theory of "ultimate exhaustion" there is only thirty-one years' supply of the pulp species. On the same basis, in Ontario and Quebec combined, in which provinces the pulpwood industry has its highest development, there is fifty-one years' supply.

This, however, does not take into consideration the losses by fire, insects and decay which are 40,000,000 cords every year. It is only a matter of a few years before the Maritime provinces and Quebec will be short of pulpwood, and I cannot see why we should persist in sending this raw material across the line. The argument is that the Americans will not come here but will go elsewhere for their pulp and paper if we put on an embargo. There may be something in that; but they are coming here rapidly now as we know. We all know that United States investors have immense fortunes tied up in the pulp and paper industry of Canada. I have too great faith in the American people to think that they will adopt any policy of reprisal or retaliation. In fact there is no way in which they can retaliate in kind. And besides, what have we to thank them for in their treatment of us on tariff matters? They have said to us, "We don't want any of your canned goods, we don't want any of your western cattle, we don't want anything you manufacture; but we do want your raw products, your men and your money." That is exactly what is said to us, and we have been falling for it for years. The Fordney-McCumber tariff says that plainly—a tariff characterized by one of the gentlemen to my left as having been brought about by the manufacturers of the United States. But as a matter of fact that tariff was put into effect just to suit a group of gentlemen similar to my admirable friends to the left, only living across the line. Our western farmers were sending their cattle and farm products into the States, and the American farmers said, "We don't want any of your competition." It shows that business more than sentiment actuates the agricultural portion of our community, admirable as they may be.

As to the Americans retaliating or not coming over here to establish mills, I may say that up in the Soo region, on Manitoulin island, a big pulp mill is being constructed by the Fox River Company of Wisconsin. A few miles from where I live in British Columbia

we have what will be the last word in efficient saw mills, a mill that will cut a million feet every two days, and the company will employ four or five hundred men in the mill and about two hundred and fifty in the woods. They are going to cut logs into lumber there instead of sending them across the line. They are making a model town and will employ white labour, and some of the arguments used against saw mill owners do not apply to this company. Recently we saw in the newspapers the following article regarding the Canadian newsprint industry:

New York, March 6.—The newsprint industry is going to Canada, according to A. R. Graustein, president of the International Paper Company. Dispatches from Montreal yesterday announcing purchases of lands, mills and water power by the company, means nothing less than the transfer of a large part of the United States news print industry to the Dominion, Mr. Graustein said to-day.

When the new Canadian development is completed, he said, the International Paper Company would be able to produce 1,000 tons of newsprint per day in its mills in the Dominion. Outlining the plans of the company, Mr. Graustein said that if a contract with the newly organized Canadian International Paper Company, Limited, was ratified by stockholders, the Riordon and Gatineau properties in Quebec would be acquired.

"In order to preserve the position of the company and to insure its growth as a newsprint producer," he said, "it is necessary for us to develop in Canada. In the last twenty years the Canadian newsprint industry has come up from nothing to a point where it equals American production, showing unmistakably that the future of the industry is in Canada.

"We intend to build on the Gatineau river, near Ottawa, a big newsprint mill with at least the same capacity as our Three Rivers mill," he said.

Altogether the company intended to spend $27,000,000 for the Gatineau development, about $20,000,000 of which was for the mills, water powers and timber limits.

Another expression of the better class opinion which I claim prevails in the States is to be found in the Manufacturers' Record of New York. It says:

No country on earth can get rich shipping raw materials. Raw materials are simply the basis for the employment of labour, and labour creates the wealth which comes out of the use of raw materials. Wherever raw materials can be utilized at home, whether that be the United States or Canada, whether, so far as this country is concerned, it be the utilization in Alabama, for instance, of coal and ore, carrying the raw materials through to the finished product; whether it be in Louisiana in the utilization of gas or oils and sulphur, the Manufacturers' Record is heartily in sympathy with the policy of using these raw materials at home to as great an extent as possible. It does not believe that we can by legislation prevent the shipment of raw materials from one state to another. That would be unwise under our form of government. Canada has a perfect right to utilize its raw materials at home if it decides to do so. We have a perfect right to utilize our raw materials of all kinds at home for the production of manufactured goods, preferring to ship the finished product into Canada or other countries rather than send the raw materials abroad. It would be better, for instance, for this country if we could turn all of our wheat into flour and ship the flour rather than the wheat, but that point has not yet been reached.

I am afraid I am tiring hon. members—

Some hon. MEMBERS: No, go ahead.

Mr. DICKIE: —but I have this subject very much at heart and I am trying to show where Canada can make millions of dollars. We know we have not illimitable timber resources. Every other country is beginning to conserve its forest wealth. Finland only allows such a limited amount of cutting as is compensated for by natural growth each year; Sweden the same way. They are reforesting, as is every other country in the world, they are all paying attention to their timber resources, while we are simply depleting our lands of all forest growth. The people who are opposed to any restrictions on the export of pulpwood have issued statements that the annual growth to-day is keeping up with the depletion of our forest resources. Let any man go up the Ottawa river, the Gatineau or anywhere else where timber is grown and see if he will assert that our forests are not being depleted. It is utter rot to say so. It is said only by men whose personal and selfish interests inspire them to make such unfounded statements. There is not an iota of argument against preventing our raw resources from going across the line. I have shown where we would save $70,000,000 or $80,000,000. And we need have no fear of lack of markets. The American newspaper men have already gone to Washington to try to head off what they know to be a sensible movement on our part, but they are getting little encouragement. They must come to Canada for their paper, and no doubt they will. As for any attempt at retaliation, they would be simply retaliating against themselves. In British Columbia it has been asserted, that 70 per cent of the timber lands alienated from the crown belong to American investors to-day. Those men are not going to see their investment hazarded by retaliatory measures, even though the minority of the people of the United States insist on reprisals; and, as I say, I have too much respect for them to think that they will ever attempt such a policy. I have seen editorials in other American papers corresponding with that which I have read from the Manufacturers' Record. Hon. members will remember that not very long ago President Coolidge made a notable speech with respect to preserving the forest wealth of his country. I remember when in Virginia, Louisiana and parts of Texas there were immense virgin forests; to-day they

are practically all gone. Many of these lumbermen have come to British Columbia to do what they did in their own country. The people of Virginia, Wisconsin, Michigan and Minnesota are all bewailing the reckless depletion of their forests.

It is perhaps useless for me to suggest a remedy; I do not favour an embargo, I do not think it is the right step to take, but I favour something pretty nearly the same. In British Columbia, if because of business stagnation, we had large quantities of logs in salt water, I should not like to see them destroyed. I would suggest that by order in council or some other way they should be allowed to be shipped out of the country. My idea would be that on Nos. 1 and 2 grades of fir, spruce, pine and cedar logs and on all hardwood logs an export duty should be imposed of $5 per thousand feet board measure; on all other logs, $2 per thousand feet; on all pulpwood exported by actual settlers and farmers from their land a duty of $2.50 per cord, and on all other pulpwood $5 per cord, to take effect January 1, 1927. I may be asked, why defer the imposition of these export duties to that date. I reply that Canada must act in a gentlemanly way. We have immense amounts of American capital invested in this country in our forest reserves, and I would give them a chance if they want to come over here and establish mills. They have millions of dollars invested on Vancouver island alone, and I do not wish to work any hardship on those gentlemen, so I would give them time. What I suggest is that in the interim the above duty shall apply on all raw forest products as above specified in excess of the 1924 exportation. That would prevent any attempt on the part of our friends to make a Roman holiday with our pulpwood; to come in and devastate our forests, piling the wood over on their side of the international line before 1927. In that way we would be protected.

With regard to the settler or the farmer taking wood from his wood lots, I submit that this country could pay those men to sit right at home and could still make $50,000,000 more than is being made to-day. We could make it up to them in some way. Possibly we should not say to the pulp and paper manufacturers, "You will have to pay so much a cord;" but there are ways of putting pressure on them and at the same time treating them fairly. Even though there should be no market at present for their pulpwood, I am sure the farmer-settler would make money by conserving it, by allowing it to grow for the time being. The value of timber will increase by leaps and bounds in the next ten years; there is not the slightest doubt about it. This is the age of paper and pulp, and the farmers and settlers will make more by letting their timber stand than they will by cutting it. Up in the clay belt thousands of acres have been cut over by bogus settlers who have abandoned the property after cutting the pulpwood off and shipping it across the line.

I know that my hon. friends to my left are free traders just as strongly as I am in favour of adequate protection. But they must recognize that during the last two or three years many Canadian industries have gone out of business. It may be that times are improving just a little, but when you consider Canada's immense resources, its potentialities and the virility of its people, you will realize that we should go ahead by leaps and bounds rather than stand still or perhaps gain a little here and lose a little there. In this connection a matter was to-day brought to my attention which is worth mentioning. We have at Burrard inlet, Vancouver, a creosoting plant which represents a cash investment of $450,000. There is no duty on creosoted piling coming in from the American side. This company has a payroll of $30,000 a month, but the conditions now are such that they are seriously thinking of dismantling their plant. With a little protection they would be able to carry on; that payroll would continue and they would have a much better feeling toward British Columbia than they have at present. It is another case, very largely, of dumping from the American side. Over there they have enormous establishments; they sell to their own market, but they have a surplus lying in their booms and they use this when the opportunity offers itself, as in the case of a recent contract which came to my attention, in connection with the foundation of the dry dock at Prince Rupert. The Seattle creosoting plant underbid our own people; they offered a price much lower than it was possible for the British Columbia firm to quote for the supplying of creosoted piles. But the Northern Construction Company decided to pay more for creosoted piles from Vancouver than the price at which they could have got them from Seattle, and they were actuated by pure patriotism. Now, this is a condition which should not exist. The Americans simply slough off their surplus piles to our city, at prices our people cannot meet, but when they have put the Canadian creosoting plant out of business then the price will go up, as has been the case in many other instances. So that if this industry is assisted something is done for Van-

couver, and the people will pay no more for creosoted piles than they are paying to-day.

The hon. member for Comox-Alberni (Mr. Neill) asked me if I would support him in connection with the subject matter of the resolution he has on the order paper dealing with naval protection on the Pacific coast. I do not know exactly what his viewpoint is; he had not concluded his argument when the discussion was adjourned. But it sounds well to me, as far as he has gone, and I would be very much in favour of the taking of some action along this line. The great naval headquarters at Esquimalt are in the district which I am humbly trying to represent, and I would like very much indeed to see a warship there, belonging to Canada or to Great Britain, upon which our young men could be trained. My idea is that we should make a substantial contribution to the British admiralty and let them look after our ports. When those magnificent ships of the British navy were in our waters on both coasts last year, I in common with many Canadians felt a keen sense of humiliation. Here were those wonderful ships of war ready to protect us at any time, yet we were contributing hardly anything to the upkeep of the British navy. I know that we are in economic straits, but, Sir, as I said with respect to other matters, Canada should play the part of a gentleman, we should and we can afford to be a little more liberal than we are. Some people are saying to-day: Why should we want warships to protect our coasts with no war in sight. Sir, war is bound to come, we who live there know it must come—why should we require ships, when we are protected by the Monroe doctrine? Well, I have very little use for the Canadian who will wish to avail himself of the elastic provisions of the Monroe doctrine. The Monroe doctrine, as you know, is applied by the United States to suit their convenience. It is an admirable doctrine. Let me relate just a couple of incidents, Mr. Speaker, and I am through. Early in the war, as will be known to many, two German cruisers, the Nuremburg and the Scharnhorst, were in the waters of the northern Pacific. The people of Vancouver and Victoria were very much perturbed; some of them became panic stricken and left these cities, thinking that an attack might be made upon them. We were almost defenceless. We did have an old, obsolete boat and a couple of submarines—as to the submarines, when they submerged they never knew whether or not they would emerge again—but those who manned them were willing to live up to the best traditions of British seamen. We knew, though, that they could have little effect on these large, up-to-date German cruisers. I remember talking to an American friend at that time, and he said: "Would it not be very nice if two or three of our vessels happened to pay Victoria a friendly visit at this time?" I said, "It certainly would." However, no American vessels paid us even a friendly visit. What we did see was a Japanese cruiser, stripped down to the decks, swarming with brown men, lying off our coast, ready to offer its protection.

The other instance I want to mention is this: When Dewey captured Manilla he was lying with his fleet in Manilla harbour. Admiral Diedrich came sailing in with a German fleet greater in strength than that of Admiral Dewey. Dewey pointed to a place for him to anchor, but Diedrich said he took his orders from His Majesty the Emperor of Germany and he chose his own anchorage. Diedrich then paid a visit to Admiral Chichester of the British fleet which was in the vicinity, and in the course of conversation with him he said: "What would be your attitude if I decided to attack the American ships?" Chichester said, "That is a secret between Admiral Dewey and myself." This is a matter of history; it is not hearsay. Diedrich knew what it meant. He left the British ship in a huff, and returned to his own vessel. The next morning when he came on deck he saw that during the night a British cruiser had steamed in and anchored between his warships and those of Admiral Dewey. As my American friends would say, "That was nice."

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, before I address myself to the budget, I should like, with the permission of the House, to conclude the remarks I was making on the resolution I introduced some weeks ago to the effect that "Canada should consider the question of the defence of our sea coasts and of our ocean borne lines of commerce". I am sorry that this resolution will not come to a vote under the rules of the House, but perhaps when the naval estimates are being discussed hon. members, especially those from British Columbia, will take an opportunity of expressing their views, and perhaps the Minister of National Defence will take the opportunity of expressing the policy of the government in that regard.

The House will recall that when I was speaking on this subject last I had shown or tried to show, that our coast, our property, and especially our shipping in British Columbia were entirely defenceless and that there

was great need of defence, and I was examining what we had in the way of defence ourselves or what we would be likely to procure from outside sources. But before I go on with that I should like for one moment to go back to the question of the Disarmament conference and make a point that I omitted to make when I was talking on this question before. I suggest, Sir, that all the Disarmament conference did was to bring about an agreement among the nations of the world to do what they fully intended to do anyhow. In other words they made a bargain to do what the experience of the Great war had shown them was the most advisable thing to do; they made a solemn treaty to carry out what they had every intention of carrying out of themselves. For instance, the war had shown clearly that big dreadnoughts were not the most useful type of ship to use. Consequently the Disarmament conference made a solemn bargain to limit the size and number of dreadnoughts, or what they call capital ships, in future. It is true that they went further and made a limitation in regard to the size and armament of what they called auxiliary ships, otherwise cruisers, but I notice they were particularly careful not to limit the number of these boats; and while they did put a limit, in regard to the maximum size and tonnage, the limit was so high and the tonnage was so large that in reality it encouraged all the nations of the world to increase the size of their cruisers. For instance the average light cruiser, before this conference ran to seven or at the most eight thousand tons. Japan had building at that time four boats of seven thousand tons. The Disarmament conference decided that the maximum tonnage of cruisers was to be ten thousand tons and the limit of armament, I think, eight inch guns. So naturally the Japanese immediately redesigned the ships they had been building. They raised the limit of these cruisers to ten thousand tons and they increased the armament of those vessels so as to bring it just within the maximum laid down by the conference. Other nations followed the same course naturally for it would be foolish for them to have smaller ships than their competitors. The result is that the Disarmament conference has actually increased the size and cost of light cruisers without in any way limiting the number of them that can be built. What will be known in the future as the "treaty" cruiser has arrived, and at the present moment the five signatories of that conference have laid down no less than thirty of these new cruisers. And that conference was only held a couple of years ago! The treaty cruiser of the future will be a thirty-five knot ship with a battery of eight or more eight inch guns capable of developing a volume of fire of about thirty rounds a minute, and discharging a projectile weighing somewhere in the neighbourhood of two hundred and fifty pounds. In a word I think it might be justly said that the Disarmament conference, by virtue of its actual results, appears to have brought about a revival of armaments.

Now I shall describe the ships, or the means of defence, that we have on the Pacific coast. I said that we had a cruiser that was of very little value except for training purposes. We also have two mine sweepers. It is true that we have no mines, and no means of laying mines—no mine layers—and it is extremely unlikely that an enemy that might come and blow up or ransom any of our forts and towns would be likely to bring mines and lay them for us to sweep out, because that would be quite unnecessary. So that these mine sweepers are not of any particular value as regards that purpose. I admit, however, that they would be good for the pursuit of submarines.

Now I should like to give two instances of what actually occurred in the war, and in making this statement I shall not be disclosing any secret, so as to give an idea of how acute the conditions were out there in the way of lack of defence. During the war a passenger boat was running up north to Alaska. It happened to have three funnels, rather an unusual thing, and the general cut of it in some ways rather suggested a light cruiser. That boat was taken off its regular merchant service—it had no armament—and was bolstered and painted up to make it look as much like a cruiser as possible and started out on the Pacific ocean in order to head off, if possible, German raiders and cruisers; and from a diary discovered on the body of one of the German officers killed in the battle off the Falkland islands it was actually discovered that on one occasion, at least, a German armed raider had fled from this boat believing it to be a British cruiser. That is one of the pretences we had to take refuge in.

Here is another instance: The terminus of the Pacific cable, which is a very important point during a war and still more important if the war happened to be on the Pacific, is at Bamfield on the west coast of Vancouver island. During the war this station was defended ostensibly by a handful of men with rifles. You can imagine what use such a force would have been against an armed raider. But it had the further pro-

tection, or was supposed to have, that the channel of five or six miles leading into Bamfield was suitably protected by mines; and every time a boat required to come in a pilot had to go out and guide the vessel through the mine field into safety and out again, the plain fact being, Mr. Speaker, that there never were any mines there at all; it was all a figment of the imagination calculated, or supposed—or we hoped it would—to mislead any German vessel from coming in to blow up the cable station. To put our whole dependence, in future wars, in artifices of that kind is surely not the part of reasonable and responsible men.

I have led up to the suggestion that we have no defence and that we need defence. Having no defence of our own there are only two outside sources by which we could attain it. The first that we would naturally turn to in an emergency is the British navy. In 1914 the British navy had 126 heavy and light cruisers. They could only spare a few of these for the Pacific, and we all know the enormous damage that was done by the Emden which, if I remember rightly, was not a cruiser at all but merely an armed merchantman, an armed raider. The fact that the Emden did an enormous amount of damage was not due to her armament, or anything of that kind but simply because there was no vessel bigger than herself able to get into contact with her. The record of that single boat, and the damage she did in the Pacific, ought to be enough to convert anybody to the idea that we out there ought to have some protection. I notice that since I brought this matter up there was a debate in the British House when the first Lord of the Admiralty pointed out what trouble the German sea raiders caused in the Great war and asked if it took seventy cruisers to round up these few German raiders, with almost the whole German fleet bottled up, what would be the prospect in a future war if British commerce were attacked by some other power.

There are two further matters I desire to mention. During the war a condition existed that will never exist in any war on the Pacific, and that is that the two great powers against us, Austria and Germany, practically had both their fleets bottled up in a port or in some channel, and the British fleet kept them there. Occasionally one would break away in the darkness and do a great deal of damage, but for the main part they were kept bottled up, and it was comparatively easy for the British fleet to concentrate their vessels and keep them there. But on the Pacific it would be impossible because the ports are all open, and the British fleet would have to be much scattered, and their efficiency naturally very much reduced in that way.

I would point out also that owing to the Disarmament conference having induced Britain, to bring down her naval power, from a three to one to a one to one basis, it means that in 1928 the British fleet of heavy and light cruisers, instead of being 136 will only be 57, and they will certainly be all needed to police the main trade routes of the Pacific if a war occurred on the Pacific. I think therefore, it is proved that we cannot hope that Britain can do any more than guard the main ocean routes, and it will be quite impossible for us to expect her to detach ships to guard what might be called the local coasts, of British Columbia, Australia, New Zealand and so on. These other dominions have realized the truth of that contention as we see in the fact that New Zealand has embarked on a policy of naval defence of her own shores so have Australia and South Africa. It is somewhat significant that the policy of the naval defence of South Africa is advocated by and going to be carried through under the leadership of Charles Hertzog, a man who, in the Great war only a few years ago, was in active rebellion against Britain, and it cannot be supposed that he is animated in this matter now by any great feeling of imperial enthusiasm. He is actuated by the conviction that if South Africa is not in a position to defend herself, she will be in a helpless condition.

So much for the idea that we can expect the British navy to protect the British Columbia coast or the Atlantic coast.

The other source from which we might hope to get some relief is the Monroe doctrine. That is a very much over-rated doctrine at the present time. I will quote the best definition of it that I have been able to obtain in one sentence, as given by President Adams. I will give you his interpretation of the Monroe doctrine, at the time of its inception. He says:

> Considering the South Americans as independent nations, they themselves have the right to dispose of their condition. We have no right to dispose of them either alone or in conjunction with other nations. Neither have any other nations the right to dispose of them without their consent.

That was the doctrine as it was formulated over a hundred years ago, but between that time and the present, conditions have changed entirely. The very evil which it was intended to prevent—that is the abuse or the coercion of the small American states by European ccuntries—has been changed into a very much greater dread, not any more of the European

powers but of the United States themselves. I should like to quote a sentence or two out of a very well written article on the Monroe doctrine by an American writer in an American journal, which cannot be supposed to be anti-American or pro-British. Here is what this writer says, talking about the diplomats of the United States:

> To them the doctrine has become a diplomatic top bureau drawer, into which anything may be put and from which, after due pawing, anything may be produced.

I think that is a very good expression "after due pawing". The Monroe doctrine, from time to time, has been used, added to and pared away, according as the emergency suggested and, in the interests of the United States only. Thus on one occasion it had an annex hitched on to it, called the Doctrine of Paramount Interest, a lovely amendment, which allowed the United States to go into a foreign country and do what they thought would be in the best interests, not of that country, but of the United States. Later on, when they encouraged a rebellion in a Central American republic, they invented another extension of the Monroe doctrine, and it took the form of the Doctrine of Preventive Intervention, by virtue of which the United States claimed the right to intervene in the affairs of any of the Latin American states whenever in its opinion a state of affairs threatens to arise which may produce European intervention, which may in turn produce occupation of territory, which may ultimately produce annexation. If this is a doctrine of non-intervention, of protecting other states' national independence, then of course black is white. In spite of that language "we have no right", we find that, under the Monroe doctrine, Texas was annexed against its will, to the United States, California, New Mexico, Porto Rico and Cuba, and there has been interference in Panama and Columbia. In other words, the modern interpretation of the Monroe doctrine is that no nation is to be coerced except by the United States. That is so openly feared that at a pan-American conference some years ago they endeavoured to get the United States to go back to the original meaning of the Monroe doctrine, but the United States would not do so, and the word "suzerainty" was quite openly used in reference to its relation to some of the smaller states; so that it is to this doctrine, with its cold-blooded indifference to the interests of any nation except the United States that we are asked to appeal for protection and for defence in case of war. Moreover the doctrine does not apply to British possessions.

Mr. POULIOT: How much does my hon. friend say Canada should expend yearly to protect her shores?

Mr. NEILL: I will deal with that in a few moments. Moreover the Monroe doctrine does not apply to British possessions, and it only applies to where the independence of states is threatened. It does not forbid attacks on shipping or the collection of an enormous indemnity, or the collection of a war indemnity in the shape of large supplies of raw material for years to come, as was suggested would be one of the terms if the Germans had conquered in the late war. Then if we were driven by our defencelessness to ask for the application of the Monroe doctrine by the United States, what price would we pay for it? Scripture tells us that the lion and the lamb shall lie down together, but in that case the word "shall" is used. "Shall" suggests futurity. We do not know when that period will arrive, but history records no instance where the lion and the lamb have lain down together with any real satisfaction to the lamb. Take the record of Britain herself. There is no country in the world which has been so magnaminous in its treatment of vanquished nations, or so generous in its rule over conquered natives. No nation can compare with Britain in that regard, and yet taking the record of Britain herself, where she has gone in very often with the most emphatic declaration that it was only temporary occupation for the good of the particular state, and with the fervently expressed intention of pulling out in a very short time, there are very few records of where she has ever pulled out again. It has drifted, perhaps, into a suzerainty; it has always become more or less permanent, I admit, very often, for the good of that nation or race, but still Britain has remained there, a permanent, unwelcome and uninvited guest. If we are driven by the misfortunes of our defenceless condition to seek the assistance of the United States under the Monroe doctrine, we are practically inviting that we become an appendage in some form or another of the United States. Some mention is made of the cost. The costliest way of all of defending ourselves in case of an attack would be by inviting the aid of the Monroe doctrine. It would be goodbye to our dreams of national existence. We would get requests which, by-and-by, would become demands, and by-and-by we would have absorption, or control, or at least, that peculiar thing, known and already practised on other nations, as "preventive intervention."

Moreover, it is quite possible in case of war that the United States would not be able to afford us any protection. A very able writer the other day made the prediction that, in case of war, if the Hawaiian islands were captured by an enemy, the whole coast of the north American continent would be at the mercy of the enemy. I submit the question is not: Can we afford to defend our coast? but, can we afford not to defend it? Take the case of a man owning a big business block and going to a mortgage company to ask for a big loan. The first question he would be asked would be: "Where is your title?" He could produce that. The second question would be: "Where is your insurance policy, and how much is it?" Supposing his reply was: "Well now, I want to tell you about that. I do not believe in fire. We are not going to have any more fires. I have joined an association to disown fires, and consequently I have not insured my building and do not propose to do so." Would that man get his loan? I do not think so. Are we in any better position as regards our national existence? Is naval defence not the premium on our national life insurance policy? I should like to ask this House, and through this House, the people of Canada: Can we afford to neglect to pay the premium on the policy of our national life insurance? I should like the House to think over that.

There are just two other points in this connection and I have done. One is that my advocacy of this suggestion will lead to militarism on a large scale. That is a very unfair unjust criticism, so unfair, unjust, untenable and indeed, inapplicable, that I think it can be put forward only by those who wish to confuse the issue, who want, not to face the issue, but to shut their eyes to the plain facts, and who think, by calling it militarism, they can dismiss the obvious situation I have presented. If I were arguing for or suggesting, even in a remote degree, a big fleet and army, they would be quite correct. But there is all the difference in the world between militarism and defence, between defence and defiance, between protection and aggression. Have we ever tried to stop crime by dismissing our police force? I do not think so. Will an absolutely helpless nation not invite the aggression of a truculent neighbour? I therefore repeat—and I wish to be so careful about this that it cannot be misrepresented that I have written it down—that what I am asking for is only—that the Parliament of Canada should consider and devise a policy for the defence of our shores and of our shipping, a policy within our means and to be carried out as our financial condition allows us. Is that jingoism? Is that militarism? Is it not rather the sober, sane action of a business man who protects his business against loss by fire or his family against his own loss by sudden death?

There is just one other point in this connection. It has been suggested to me, not, I am glad to state, by any hon. member from the prairies, that the prairie members will take no interest in the consideration of a case of this kind. I do not believe that, and even putting the matter on the most material grounds, they are bound to take an interest in it because they are as much concerned ultimately as we are. The freedom of Calgary and Winnipeg will be fought for, not at the gates of those cities, but on the Atlantic coast or on the Pacific coast. What will be their condition if they are cut off from the sea for three or four years? I know we in British Columbia would suffer first. Our coal mines which, heaven knows, are in a bad enough state now, would be the first to suffer. Our fishing industry would disappear. Our lumber industry would be at a standstill. But as the shipping disappeared the trouble would spread on to the prairies, and once they had no outlet for their grain, there would be a complete tie-up of the business conditions of Canada. It would paralyze every feature of the trade of Canada. Let us not forget, for we forget so easily, how nearly Great Britain was brought to her knees during the Great war, not by any lack of men or food or munitions, but by the threatened inability of being able to convey that food and those munitions to the men at the front.

I want to answer my hon. friend's question about the cost. I said at the beginning of my remarks the other day that I was particularly careful to define no detailed scheme for defence, because there are so many different ways, and to suggest one would only promote divergence of opinion upon the main issue. The particular line adopted would have to be decided by technical experts and largely governed by our financial ability at the moment. I quite admit that, and I am suggesting that we go into no expensive scheme whatever. I will make this suggestion as to the cost. We have the skeleton of a very considerable standing army in Canada to-day. I should like to know, in case of a sudden need for this army: What nation could we use that army against suddenly and quickly? There is only one nation that we could use it against in a hurry and that is the United States. The prospect or the possibility of war with the United States is so remote—and

I hope it always will be remote—that it is quite unnecessary for us to consider it to-day and for many years to come. Therefore, if we have no need for a standing army, why have we one? The danger to Canada will come on our coasts long before there will be any need of an army. We spend roughly on the permanent force and on the active militia, if not on the active militia alone, somewhere in the neighbourhood of four million dollars a year. For instance, in the city of Ottawa, there are the skeletons, at least, of four different regiments, and I suppose the same is true in a greater or lesser degree throughout the whole of eastern Canada. You can make a soldier of sorts in six weeks; you can make a first class soldier, a fighting man, in six months; but it will take at least that many years to make a first class naval man. First of all, he has to be a seaman, and that is not done in a day or a month. Then he has to be a naval man, and this means a finely trained mechanic of a kind which you do not get in civilian life. The ordinary time for training a first class naval seaman would be six or eight years. Would it not be better to spend less on the militia, and what is saved on that might be spent on a nucleus, at least, of a scheme of naval defence? I am only throwing out a suggestion that would minimize the cost of any naval scheme that might be adopted.

I have spoken only about the Pacific coast because that is the one with which I am familiar. I am not ignoring the needs of the Atlantic coast, but I leave it to men more capable and better informed than I am to deal with that. I would suggest that the government consider, if not at this session, at the next one, the advisability of appointing a committee of a non-partisan character to study this question. Its importance can hardly be overestimated. I would conclude by summarizing in half a dozen sentences the arguments I have endeavoured to present to-night and the other evening:

1. That our sea coasts are defenceless.

2. That the need of defence is evident and urgent.

3. That we cannot logically demand, nor can we reasonably expect the British navy to furnish that protection in case of war.

4. That it is highly undesirable that we should be driven to seek the protection of the Monroe doctrine.

5. Let our motto be, aggression against none and defence against all.

Therefore, in the words of the resolution, I would submit that Canada should consider the question of the defence of our sea coasts as well as of our ocean borne lines of commerce.. That, Mr Speaker, concludes this phase of my remarks.

On motion of Mr. Neill the debate was adjourned.

PRIVATE BILL

On the motion:

Second reading of Bill No. 24, an act to amend the Toronto Harbour Commissioners Act, 1911.—Mr. Church.

Mr. SPEAKER: The hon. member for North Toronto (Mr. Church) wishes to withdraw this bill. Is it the pleasure of the House that he shall have leave to withdraw it?

Bill withdrawn.

On motion of Mr. Mackenzie King the House adjourned at 10.55 p.m.

Wednesday, April 1, 1925

The House met at three o'clock.

REPORT OF COMMITTEE

Second report of select standing committee on Railways, Canals and Telegraphs.—Mr. Cahill.

REPORTS AND PAPERS

Copy of correspondence, applications and other documents respecting licenses to export electrical energy.—Hon. Mr. Low.

Report of the Department of Customs and Excise containing accounts of revenues, with statements relative to the imports, exports and excise of the Dominion of Canada for the fiscal year ended March 31, 1924.—Hon. Mr. Cardin (for the Minister of Customs and Excise).

PRIVATE BILL

FIRST READING

Bill No. 42, to amend the Toronto Harbour Commissioners Act, 1911.—Mr. Church.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—SPECIAL COMMITTEE

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

That the name of Mr. Shaw be substituted for that of Mr. Leader as a member of the special committee appointed to consider the resolution to give the government of Canada control over certain ocean rates by confirming the agreement between His Majesty and Sir William Petersen, K.C.B.E., as set out in said resolution or by any other method that offers effective control.

Mr. SPEAKER: By unanimous consent.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

OCEAN FREIGHT RATES

Mr. SUTHERLAND:

1. Did the special committee appointed by parliament February 28, 1923, to inquire into agricultural conditions, make a report in regard to ocean freight rates during the session of 1923?

2. Did said special committee in their seventh and final report state that, owing to the impossibility of digesting and properly weighing the evidence submitted to them in the time at their disposal before prorogation of parliament, recommend that a similar committee should be appointed at an early period of the next session of parliament?

3. Was the recommendation referred to carried out by the government?

4. What was the date of the appointment by the government of W. T. R. Preston to make an investigation into the alleged discrimination in ocean freight rates covering Canadian shipments from Atlantic seaports referred to by the special committee referred to in question 1?

5. Was parliament in session at the time the appointment was made? If so, was parliament consulted in the matter?

6. What was the date and contents of the order in council authorizing said appointment?

7. From what time did Mr. Preston begin to draw pay and allowances under the order in council referred to?

8. What amount has been paid to him, or is due him in connection with the investigation referred to?

9. Is he still on the pay roll?

Hon. Mr. COPP:

1. Yes, the fourth and fifth reports referred to ocean freight rates.

2. Yes.

3. Recommendation referred to was made to parliament and no action has as yet been taken.

4. February 28, 1924.

5. (a) Yes. (b) No.

6. February 28, 1924.

7. February 28, 1924.

8. Expended to January 31, 1925—

Travel	$ 864 85
Remuneration (Feb. 28 to June 1, 1924)—(94 days less=87 days at $15)	1,305 00
Living allowance (Feb. 28 to Oct. 24, 1924)—(239 days at $10)	2,390 00
Sundries	310 23
	$4,870 08

Accounts on hand, pending supplementary vote—

Travel	208 68
Remuneration (June 2, 1924, to Jan. 23, 1925)—(236 days less 32=204 days at $15)	3,060 00
Living allowance (Oct. 25, 1924 to Jan. 23, 1925)—(91 days less 18=73 days at $10)	730 00
Stenographic services	216 00
Sundries	17 77
	$4,232 45

9. For such additional time as he may be actually engaged in the work of the ocean freight rate inquiry.

MAIL SUBSIDIES AND STEAMSHIP SUBVENTIONS

Mr. McTAGGART:

1. In what year was the payment of subsidies to steamships instituted in Canada?

2. What amount has the government paid in subsidies in each year since that date?

3. What was the total amount so paid up to the present time?

Hon. Mr. COPP:

1. The Public Accounts of Canada show that payments were made on account of mail subsidies and steamship subventions from 1867-68 onwards.

2.

	Local Services	Foreign Services	
1867-68			$ 177,349 33
1868-69			253,746 67
1869-70			288,999 02
1870-71			236,098 97
1871-72			242,107 98
1872-73			363,447 98
1873-74			285,882 29
1874-75			287,772 40
1875-76			261,588 89
1876-77			314,941 50
1877-78			257,534 08
1878-79			257,701 51
1879-80			235,833 34
1880-81			201,503 34
1881-82			210,930 00
1882-83			237,500 79
1883-84			238,054 01
1884-85			261,778 89
1885-86			271,457 20
1886-87			273,496 65
1887-88			342,613 33
1888-89			304,254 17
1889-90			286,315 13
1890-91			321,117 96
1891-92			273,207 37
1892-3	$ 53,644 26	$ 360,294 33	413,938 59
1893-4	70,196 00	460,500 66	530,702 66
1894-5	74,934 71	438,333 32	513,268 03
1895-6	73,850 00	461,066 63	534,916 63
1896-7	75,703 76	478,108 32	553,812 08
1897-8	85,881 79	503,891 42	589,773 21
1898-9	98,029 58	486,026 73	584,056 31
1899-1900	83,296 19	516,535 73	599,831 92
1900-1	96,005 33	532,203 85	629,199 18
1901-2	88,102 87	536,853 38	624,956 25
1902-3	102,720 30	696,565 69	799,285 99
1903-4	139,983 68	777,464 29	917,447 97
1904-5	146,160 88	880,913 85	1,027,074 73
1905-6	171,483 77	1,056,076 42	1,227,560 19
1906-7	150,679 24	978,197 48	1,128,876 72
1907-8	181,790 94	1,408,593 02	1,590,383 96
1908-9	189,763 40	1,560,620 04	1,750,383 44

	Local Services	Foreign Services	
1909-10	210,325 55	1,591,747 31	1,902,072 86
1910-11	228,356 25	1,756,284 98	1,984,641 23
1911-12	253,671 46	1,667,267 45	1,920,938 91
1912-13	262,744 35	1,687,872 97	1,950,617 32
1913-14	289,754 09	2,091,336 83	2,381,090 92
1914-15	301,506 13	1,858,533 72	2,160,039 85
1915-16	311,322 35	1,454,582 61	1,765,904 96
1916-17	280,904 55	1,707,199 41	1,988,103 96
1917-18	279,518 14	1,572,202 91	1,851,721 05
1918-19	243,906 37	1,145,686 74	1,389,593 11
1919-20	303,729 49	1,325,664 03	1,629 393 52
1920-21	329,663 87	761,241 34	1,090,905 21
1921-22	379,640 84	722,539 01	1,102,179 86
1922-23	455,077 36	611,716 49	1,066,793 85
1923-24	396,166 93	628,774 96	1,024,941 89
1924-25 to March 20, 1925	448,148 13	348,811 07	796,960 20
	$ 6,857,653 56	$33,063,712 99	$46,756,599 35

3. $46,756,599.35.

IMPORTATION OF KRAFT WRAPPING PAPER

Hon. Mr. STEVENS:

1. What amount of kraft wrapping paper was imported during the last calendar year?

2. What amount was imported from (a) Norway and Sweden, (b) United Kingdom, (c) United States?

3. What is the duty on kraft wrapping paper?

4. Is the government negotiating a commercial treaty with Finland or other European countries which will naturally affect this rate of duty? If so, to what extent?

5. Has the government investigated the condition of paper mills in Canada manufacturing kraft wrapping paper?

6. How many mills in Canada manufacture kraft wrapping paper and what was the total output last year?

Hon. Mr. COPP:

1. and 2. (a), (b), (c): Imports of kraft wrapping paper into Canada during the calendar year 1924:

Countries whence received	Quantity Lb.	Value $
1. Total imports.. ..	889,710	52,749
2. (a) From Norway.. ..	52,003	2,990
From Sweden..	428,132	19,053
(Norway and Sweden)	480,135	22,043
2. (b) From United Kingdom..	45,724	2,807
2. (c) From United States..	262,225	23,323
Other countries..	101,626	4,576

3. Rates of duty on kraft wrapping paper: General tariff, 25 per cent ad valorem; Preferential tariff, 15 per cent ad valorem; Intermediate tariff, 22 1-2 per cent ad valorem.

4. A treaty of commerce and navigation between the United Kingdom and Finland was signed on December 14, 1923. Ratifications were exchanged on July 4, 1924. Article 23 of the treaty provides that the stipulations of the treaty shall not be applicable to any self-governing British dominion unless the said dominion so desires; but it is provided that the goods of such dominion shall enjoy in Finland the same treatment as would be enjoyed by similar goods if produced in the United Kingdom so long as the goods produced in Finland are accorded favoured nation treatment in such dominion. The customs tariff of Finland provides for a reduction under the conventional tariff on certain products of interest to the Canadian trade. At the last session of parliament, a bill respecting trade between Canada and Finland was passed in the Canadian House of Commons but in the Senate the committee rose without reporting the bill. As the trade between Canada and Finland is considered of advantage to Canada, it is proposed to introduce a similar bill in the House of Commons at this session.

A bill will also be introduced in the House of Commons respecting a certain trade agreement with the Netherlands. This agreement will provide for favoured nation treatment.

The French convention provides for a discount of ten per cent, on the amount of duty under tariff item 197, "Paper of all kinds, n.o.p." Goods from all countries entitled to the benefit of the favoured nation clause will receive the benefit of this reduction.

5. No, special investigation has been made concerning the condition of the paper mills in Canada, but it is ascertained that three-fourths of the production of kraft paper is exported from Canada to twenty-six different countries. The value of kraft paper imported into Canada from Finland during the ten months ended January 31, 1925, was only $2,777, while the total exports to all countries of Canadian kraft paper for the same period amounted to $2,677,268.

6. Information for the calendar year 1924 is not yet compiled. During the calendar year 1923, nine mills manufactured kraft wrapping paper. The total production was 42,851 tons, valued at $4,464,198.

PURCHASE OF LIGHTSHIP GROS CAP NO. 1

Mr. SIMPSON:

1. In what year was the lightship Gros Cap No. 1 (formerly the St. Julian) purchased by the government?

2. What was the purchase price and from whom purchased?

3. Where was this boat built, for whom and for what purpose?

4. What amount has been spent by the government in remodelling and refitting this boat since the date of purchase?

5. Was the Gros Cap No. 1 stationed during the season of 1924 at a place called Gros Cap in lake Superior?

6. Was this place formerly served by a gas buoy?

7. What was the average cost of maintaining the gas buoy at this point during the season of navigation?

8. What was the total cost of maintaining the lightship Gros Cap No. 1 during the calendar year 1924: (a) wages of crew; (b) supplies, including fuel, food and clothing; (c) repairs; (d) all other expenses?

9. How many members of the crew of this boat are paid for the season of navigation only; how many are paid during the full year; how are the latter employed during the winter season?

Hon. Mr. CARDIN:

1. 2 and 3. Vessel was built in 1917 at Toronto, by Polson Iron Works, Limited, for war purposes and was transferred by Department of Naval Service to Department of Marine and Fisheries in 1920 without cost.

4. $26,458.65.

5. Yes. The establishment of this lightship was authorized by order in council P.C. 2762, 5th August, 1921. The order in council recites that the Lighthouse Board of Canada had received a request from the Dominion Marine Association for improved aids to navigation on the Gros Cap shoal, the information received by the board showing that Gros Cap shoal is a dangerous spot very close to the main track of heavy traffic between lake Superior and Sault Ste. Marie, numerous accidents having occurred. The Lighthouse board recommended the establishment of a lightship.

6. Yes.

7. About $300.

8.

(a)	Wages	$10,322 09
(b)	Supplies	2,352 80
(c)	Repairs	448 36
(d)	Sundry expenses	232 77
	Total	$13,356 02

9. (a) Seven.
(b) Two: captain and chief engineer.
(c) Keep vessel clear of snow and prevent damage by ice, make such repairs as it is possible for them to make by themselves and to take care of the vessel generally.

MR. E. LAFLEUR, K.C.

Mr. ROSS (Kingston):

1. On what date was Mr. E. Lafleur, K.C. retained by the government to prepare the contract between His Majesty King George V represented by the Minister of Trade and Commerce?

2. Is Mr. Lafleur still under engagement on this contract or any part of it?

3. If not, on what date did Mr. Lafleur complete his services in connection with the contract referred to in question 1?

4. What amount was charged by Mr. Lafleur for his services during the period referred to in questions (1) and (3), and what amount was paid, or is to be paid, to Mr. Lafleur?

[Mr. Simpson.]

Hon. Mr. LOW:

1. December 3, 1924.

2. No.

3. December 11, 1924.

4. No account has yet been received from Mr. Lafleur in this connection.

PARK ST. CHARLES COMPANY, LIMITED

Hon. Mr. STEVENS:

1. Has any payment been made to the Park St. Charles Company, Limited, for land occupied by the Quebec Harbour Commission, as per verdict of the arbitrator in the case?

2. If so, what sum has been paid and on what date?

3. If more than one payment was made, to whom were they made and on what dates?

4. If no payment has been made to the Park St. Charles Company, Limited, or their agent, has any settlement or payment been made with any other person or firm and having any reference to the said claim and if so, to whom?

Hon. Mr. CARDIN:

1. Yes.

2. and 3.

1920.—To Park St. Charles Company, January 17.—Interest on award, $3,092.37; 1921.—To Park St. Charles Company, January 18.—Interest on award, $3,092.37; 1922.—To Park St. Charles Company, January 18.—Interest on award, $3,092.37; 1923.—To Park St. Charles Company, January 19.—Interest on award, $3,092.37; August 24.—Interest on award, $1,872.35; August 24.—Award, $51,539.58; Total, $65,781.41.

The two last mentioned amounts have been paid by cheque to the order of La Banque Nationale and La Cie. Park St. Charles.

4. Apart from the above amounts, the Quebec Harbour Commission has paid for legal fees of their attorneys and those of the Park St. Charles Company, arbitrator's fees, notarial, surveyor's, stenographer's, witnesses', court fees, travelling expenses, premiums on security bonds, an additional sum of $10,732.33.

PELAGIC SEALING TREATY

Mr. NEILL:

What amount of revenue was derived by Canada from the United States under the provisions of the Pelagic Sealing treaty in each year to date since the coming into operation of the said treaty?

Hon. Mr. CARDIN:

*1913	$ 34,672 13
*1919	193,610 41
*1920	215,622 89
1921	61,529 21
1922	47,345 43
1923	69,148 81
1925	28,274 89
Total receipts	$ 650,203 77

*The above amounts were credited against the advance payment of $200,000 plus $10,000 per year during the close season provided for in the treaty until they were recouped.

EXPENSES OF MEMBERS TO WEMBLEY EXHIBITION

Mr. SUTHERLAND:

1. What members of the House of Commons attended the exhibition at Wembley, England, during the past year at the expense of the Dominion of Canada?
2. What was the expense to the Dominion government in the case of each member?

Hon. Mr. ROBB:

1. Geo. W. Kyte, L. J. Papineau, J. Fred Johnston.
2. $1,400 for each.

EXPORT OF POWER BY CEDAR RAPIDS POWER COMPANY

Hon. Mr. MANION:

According to the contract which is subject to examination by the Department of Trade and Commerce, what is the price per horse-power paid by the Aluminium Company of America at its Massena, New York state plant, for power exported from Canada by the Cedar Rapids Power Company?

Hon. Mr. LOW: Although the act provides that such export contracts are subject to examination by officers of the department, this authority has never been exercised. A copy of the contract has never been submitted to the department, therefore the department has no information on the matter.

The department has the right to ask for a copy of the contract but is of the opinion that it would be unfair to the company exporting to make public the confidential contents of the contract.

BUCTOUCHE, N.B.—PUBLIC BUILDING SITE

Mr. DOUCET:

1. Has the government purchased a site for public building at Buctouche, Kent county, New Brunswick?
2. Does it propose to erect that building in the near future or is it the intention of the government to dispose of that site?

Hon. Mr. KING (Kootenay):

1. Yes, in 1913 from C. J. Collette, for $500.
2. Nothing in contemplation at the present time in either respect.

ADMINISTRATION OF COPPER BOUNTIES ACT, 1923

Mr. EVANS:

1. What has been the cost each year of administration of the Copper Bounties Act of 1923?
2. What amount has been paid in bounties?
3. To what companies have such amounts been paid?

Hon. Mr. LOW:

1. 1923-24, $591.73; 1924-25, $180.90.
2. 1923-24, Nil. 1924-25, $14,551.75.
3. Consolidated Mining and Smelting Co. Ltd., Trail, B.C.

UNOPPOSED MOTIONS FOR PAPERS

HALIBUT TREATY WITH THE UNITED STATES

Mr. BLACK (Yukon):

For a copy of all correspondence, letters, telegrams and communications passed between the hon. member for Skeena, and any minister or official of the government, in relation to the halibut treaty with the United States; also, all letters, telegrams and communications of whatsoever kind, passed between the said hon. member for Skeena and any minister or official of the government relating to the close season for halibut on the Pacific; also, all petitions, letters, and communications from other persons forwarded by the said hon. member for Skeena, to any minister or official of the government, relating to the said halibut treaty or the close season for halibut.

POSTMASTER AT GLACE BAY

Mr. BLACK (Halifax):

For a copy of all correspondence exchanged between the Postmaster General, the Civil Service Commission and all other persons, relative to the appointment of a postmaster at Glace Bay, Nova Scotia.

ST. JOHN AND QUEBEC RAILWAY

Mr. A. J. DOUCET (Kent, N.B.).

For a copy of all correspondence between the New Brunswick government or any member thereof and any minister or department of the Dominion government, with reference to the taking over by the Dominion government of the St. John and Quebec railway.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): There is no objection to the motion if we understand clearly what is required. There was undoubtedly a good deal of correspondence before the construction of this railway in reference to the work being undertaken by the federal government, but I presume my hon. friend wants the correspondence, since the construction of the line, as to the taking over of the construction by the federal government.

Mr. DOUCET: Within the last five or six years. After the taking over of the present line.

Mr. GRAHAM: With that understanding.

Motion as amended agreed to.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. D. M. KENNEDY (West Edmonton): Does the Minister of Railways and Canals think there is a probability of the heads of the Canadian National and the Canadian

Pacific coming together in a joint agreement regarding the Peace river transportation problem?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I would not like to say that until I got a reply to that question or something to the same effect from the gentlemen themselves. They were, if possible, to agree on a joint report or suggestion. I may say this, that if some suggestion does not come shortly, I will, I think, ask them to join in another conference to discuss the matter again.

INQUIRIES FOR RETURNS

RURAL MAIL ROUTES

On the Orders of the Day:

Mr. M. E. MAYBEE (Northumberland): On March 16, a question standing in my name with reference to the establishment of rural mail routes was passed as an order for return. I should like to know when it will be brought down.

Right Hon. W. L. MACKENZIE KING (Prime Minister): It will be necessary to direct the attention of the Postmaster General (Mr. Murphy) to the question, and I will ask him to give my hon. friend an answer at the next sitting of the House.

MR. PETER HICKEY

Mr. R. B. HANSON (York-Sunbury): On April 14, of last year an order for a return was passed for the correspondence, etcetera, re the dismissal of Peter Hickey as lighthouse keeper at Fish island light, Prince county, Prince Edward Island, and if an investigation had been held, for a copy of the evidence and report. That return has not yet been brought down. As there is no reason in the world why it should not have been brought down before this, I would ask the government when it is to be brought down.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I shall be pleased to make the necessary inquiry and see that the return is brought down as soon as possible.

THE BUDGET

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

The House resumed from Tuesday, March 31, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

[Mr. D. M. Kennedy.]

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, the few changes in the tariff which are indicated in this budget are of a character which will give satisfaction to the interests concerned in the district which I represent. The principal ones are those dealing with coal. It so happens that both the increase and the decrease indicated by the budget will be of benefit to the mines in my district. These mines, as the House generally knows, are in a very desperate condition owing to the competition of fuel oil, and our principal market is in the United States. There is a reciprocal item in the United States tariff by which the duty on Canadian coal going into the United States rises or falls in the same way as our duty on American coal coming into Canada. Consequently, the reduction of duty on bituminous coal from 53 to 50 cents a ton will be of advantage to us in the American market. Three cents is not a very big reduction and it might well have been more. It amounts to only six per cent, but six per cent of a reduction in the tariff is always better than nothing. On the other hand, the increase in the duty on slack coal also benefits us because we have practically no market for slack coal, in the United States. We produce very little of it in any case, and a considerable trade has been growing up of late years in slack coal coming from the United States into Vancouver. I judge from the change in the tariff that this will be entirely done away with.

There is a matter in connection with lignite that I should like to draw to the attention of the government. I have done so already, but I want to impress it upon them once more. Some years ago the government made a change in the duty on lignite, putting it on the free list in order to facilitate the sale of coal from southern Alberta into the United States. At that time there was no influx of lignite from the United States into Canada on the Pacific coast. Lignite and bituminous are more or less comparative terms. You cannot say precisely by looking at coal that this particular coal is lignite and that bituminous. The question is one of analysis, and the Customs department, in order to arrive at some basis on which to gauge the entry of this coal, agreed between the two nations that if coal went over six per cent of moisture, it would be considered as lignite. The result of that ruling was that there started up a trade in lignite coal going into Vancouver from the Bellingham mines in the state of Washington to the south, a trade that had never been thought of or contemplated before. The coal for that purpose was analysed and it went 6.1 per cent of moisture, or just one-

tenth of one per cent over the amount at which it would be allowed in free. At my suggestion last year the government had it analyzed again and it came to 6.7 per cent of moisture, bringing it apparently well into the lignite class. I submit, however, it is not lignite and should not be so classified. I have in my hand a bulletin of the Washington Department of Conservation and Development in which they deal with these Bellingham coals and they distinctly say:

> It is often referred to as lignite, but more properly it should be classed as a low grade bituminous coal.

Mr. MACDONALD (Pictou): What is the percentage of carbon in the coal?

Mr. NEILL: I have here an analysis, but it is defined merely as moisture, ash, F.C.—whatever that stands for,—and B.T.U.

Mr. MACDONALD (Pictou): What is the "F.C."?

Mr. NEILL: It does not give the carbon apparently, but the moisture content; the bulletin gives its moisture as well below six per cent, so that, in the opinion of the Washington Department of Conservation and Development, the coal should be classified, not as lignite, but as low-grade bituminous. Yet we are allowing it to come in as a lignite coal. I have also in my hand a statement showing the quantities that have come in. In 1923, the quantity of lignite coal that came into British Columbia from the United States was 2,331 tons and, in 1924, the trade had grown, owing to this favourable tariff regulation, to 25,763 tons. On the other hand, the benefit that we looked for has not taken place. The quantity of lignite coal going out of Alberta into the United States in 1923 was over 21,000 tons and, in 1924, it was only 12,302 tons. Therefore, for the sake of getting a sale of 12,000 tons of lignite from Alberta, we are sacrificing the British Columbia coal industry to the extent of 25,763 tons of lignite coming in from Washington. And when I point out, as I have, that this is not really lignite but low-grade bituminous, I think it will be very proper for the government to raise the point of analysis from 6 per cent to 7 per cent moisture. That would cut out the imported coal coming into Vancouver and possibly prevent some of the lignite coal going from Alberta. But even if it did prevent it all it would be better to do so than to build up a trade which would be more antagonistic to British Columbia than beneficial to Alberta.

Turning now to another item of the budget, I would deal for a moment with the reduction of the duty on engines used in the propulsion of fishing boats. This is something that will be very acceptable to the fishing population of the Pacific, and no doubt to those on the Atlantic. The previous tax was 15 per cent on engines of British origin and 27½ per cent on those coming from the United States, and that has been cut down to 10 per cent and 15 per cent respectively. Coupled with the reduction in the sales tax last year, this represents a substantial saving to those who buy these engines. Taking the average price of one of these fishing boat engines, which probably would be $160, the total reduction in the duty now would represent a saving of something like $35.50 on each engine which is a substantial amount to a poor man buying an engine for his own use. I am also pleased to see the way in which these engines are now exempted from the sales tax. Last year the exemption provision read, "Gasoline engines to be used in boats, etc.", and that has been struck out now and the provision stated in a different form referring to item 453e. Hon. gentlemen will appreciate the significance of this when I say that many fishing boat engines do not use gasoline but distillate and coal oil. Diesel and semi-Diesel engines are coming into use now and they are using a low grade of crude oil, and under the change I have indicated it will enable the sales tax to be taken off all these engines which are used for practically the same purpose. Heretofore they were not eligible under this class inasmuch as they did not use gasoline. These are practically all the tariff changes that affect my district.

I have been asked by a body of my constituents to urge upon the government the raising of the duty on eggs from 3 cents to 8 cents in order to make the Canadian duty equal to that imposed by our American friends.

Some hon. MEMBERS: Hear, hear.

Mr. NEILL: I thought that would raise applause from my right. Well, that brings up the whole question of tariff on the one hand and low tariff on the other.

Mr. LADNER: Does not the hon. member's judgment warrant his urging upon the government personally such an increase?

Mr. NEILL: If the hon. member will wait a little I will reveal what my judgment is in the matter. As I was saying, this opens up the whole question of tariff and low tariff. I have sat in this House for four years and I will undertake to say that sixty per cent of that time has been spent by members on both sides in an utterly fruitless, useless,

unnecessary attempt to convince the other part of the House as to the merits of the tariff question. I do not propose to be led down that enticing but bewildering vista; I decline to be drawn into it. Our friends to the right, as they have just indicated, will applaud this request that I have just brought to the attention of the House, in the conviction that it will increase the price of eggs to the producer in British Columbia. On the other hand, no doubt, the low tariff men would say that an increase of that kind would raise the cost of living and also probably result in a reduced demand, and that in the case of an article of such common and universal use it would only require the individual householder to make a small restriction in their use to materially affect the demand, so that the reduced demand would so bring down the price that possibly the result would be no better than if the tariff had been left alone. I will leave the subject in that way without expressing any opinion. But I will say this, that the situation as regards the importation of eggs has been materially improved in the last few years. When this government came into power they found some measure of egg inspection but it was of such a weird character as to prove futile against the importer of foreign eggs, while it was a real nuisance to what we may call the domestic importer, that is to say, the person importing from one province to another. The government changed that system to make it apply to the importer of foreign eggs, whether from China or from the United States. I recall the investigations that took place at that time, when there was an enormous influx of Chinese eggs. I remember one shipment alone of 50,000 cases which were traced to Montreal and some to Ottawa. Since then, owing to the rigid enforcement of the system of inspection, the situation has greatly improved, and although it is a source of annoyance to some country storekeepers, the results in the main have been beneficial. In the first two years since the inspection system has been applied the importation of Chinese eggs in 1923-24 was absolutely nil. In this last year there has been an importation of some 75,000 dozen, of which 30,000 have been rejected. This will help to discourage their entrance and will also, I hope, tend to keep up the quality. As regards the importation of eggs from the American side, the figures are also somewhat encouraging. In the year 1923 the importation of eggs in dozens from the United States was 8,256,000 and in the following year 6,454,000 while in the year ending March 23 last, only a week short of the year, the importation was only 2,429,000. It is apparent, therefore, that instead of becoming more acute the situation is rather improved. Now, for the consolation of my friends who can see only through one glass, namely protection, I would suggest another method of assisting our egg producers in British Columbia—and I know that the hon. member for Vancouver South (Mr. Ladner) will be peculiarly interested in the fortunes of egg producers seeing that he represents a city constituency. Here is what I suggest as something that would materially help the situation. When the government bring down their policy in connection with the regulation of freight rates, if they will see to it that the exceedingly unjust discrimination that exists to-day in the freight on wheat from the prairies is done away with, it will be of great benefit to egg producers. When a farmer in the prairies ships No. 1 wheat, worth probably $2, to Vancouver and it is going to China or to Great Britain, he pays a rate on it of 22½ cents a hundred, but if the same farmer ships No. 6 wheat which is worth perhaps only $1 he pays, or the consumer in British Columbia pays, a rate of 41½ cents. Now, if there is any possible way of justifying such a discrimination I should like to hear it, for I have not found anyone who is prepared to defend it.

Mr. FORKE: It exists elsewhere; the same discrimination exists in shipments from Winnipeg to Fort William.

Mr. NEILL: If the hon. member is prepared to sit down and see that injustice continue in Manitoba that is no reason why we should have it in British Columbia. I was pointing out that there is a discrimination of $3.80 a ton or $133 a carload, and it is claimed by the British Columbia Poultry Exchange—whose membership I do not know, although I know that it does not embrace all British Columbia—that there is a loss of $75,000 a year in connection with this one item alone. If the railways can carry 20,000 carloads of wheat at 21 cents per hundred—and I do not think it is denied that they carry it at a profit—surely they can carry 2,000 more at the same rate for local consumption in British Columbia, and so for once place the British Columbia farmer on a par at least with his Japanese and Chinese competitors or with the consumer in Britain. For it is when the wheat is exported, no matter where it goes, that the low rate applies; when it is used in British Columbia the high rate must be paid. If the government can adjust this matter it will be doing a lot for the egg producers of British Columbia, and it would not involve

any tariff alterations. Certainly the present injustice, which cannot for a moment be defended, should be done away with.

There is another matter affecting British Columbia. I refer to the protection of the west coast,—I am not now talking about naval defence, but about protection against shipwreck and the like. I wish to congratulate very heartily the Minister of Marine and Fisheries (Mr. Cardin) for the success of the development on the west coast of the direction-finding apparatus that he installed there some years ago. It is located at a point called Pachena. It was very carefully located, the men in charge are thoroughly efficient, and the apparatus appears to be of the very finest. The files of the government offices are full of letters of warm thanks from captains and shipping companies for the benefits they have secured from being able to receive the location of their ships by means of this apparatus, because the west coast where the station is located is a place where it is peculiarly easy for ships to go wrong; the currents are rather variable, at a certain point navigators have to make a sharp turn to get into the straits, and at night time or in foggy or dull weather they are very liable to overrun their reckoning and be on the shores of Vancouver island before they know it. During the past winter there has not been a single wreck on that coast, which in itself is a tribute to the efficiency of the installation and to the efficiency of those in charge of it. I think it was last year that the Americans, who maintain two or three similar stations along their coast line, initiated a competition to see which station would be most accurate in giving locations of vessels, and they warned their own stations that they were going to have this contest, but they did not warn the Pachena station, although they took it into the competition. In the result the Pachena station beat all the American stations in accuracy. I think its fraction of error was only something like three per cent over a long series of contests. That alone, I think, is a striking tribute to the efficiency of our Canadian staff.

In this connection there is another matter which I should mention, in the hope of obtaining further action. A couple of years ago the Minister of Marine and Fisheries installed at Bamfield for the four winter months a boat equipped with wireless that would be always available with steam up to go to the succour of any vessels in distress. It was an excellent idea and saved both shipping and human life. But the best boat available was one of the fishery patrol boats, and while, as I say, it did good work on several occasions, yet emergencies might easily have arisen to cope with which that boat would have been absolutely useless, its insufficient breadth of beam and lack of power rendering it unsuitable for such operations. But still we were glad to get that boat. Now the government have for some years been subsidizing to a considerable amount a salvage company which keeps a salvage boat always under steam at Esquimalt in the vicinity of Victoria. But Esquimalt is too far away from the west coast; it is like having a fire apparatus for Ottawa stationed twenty miles out in the country. This company has had built at enormous expense a very fine type of boat, indeed it is the very last word in improvements for succouring boats in distress. That boat has been brought out to Victoria. Now, I would suggest that the government should pay the company a slightly larger subsidy for the purpose of having that improved boat kept at Bamfield during the four winter months, for there it would be of the very greatest service to west coast shipping. This boat is even superior to the American boat Snohomish which has been maintained for the same purpose by the United States authorities, and has long been our envy and admiration. It would be an inestimable boon to the west coast if the minister could see his way to give a little extra subsidy and have the boat stationed at Bamfield. Then it could be said indeed that we had a first class wreck protection service on the west coast.

Another item I would call to the attention of the government is in connection with our soldier settlers. The committee that reported on this last session recommended that there should be a flat reduction of sixty per cent and forty per cent on the stock purchased by these settlers in certain years. That portion of the report was concurred in by the House and by the minister, who specifically stated that he approved the proposal. I trust that that recommendation will be carried out. It is a good one, because we are all aware that the stock was purchased at too dear a price at that time and it would be no use trying to have a revaluation of it to-day. Therefore a flat rate would be perfectly equitable to all and sundry, and I hope the government will carry out the recommendation this year. In fact they are almost pledged to do so. The other feature has to do with revaluation of the land. The committee's recommendation on this subject was left in abeyance, not being concurred in by the House, but the minister assured us it was going to receive his consideration during the recess. Now, a flat rate of reduction on the value of all these lands would be absolutely useless, indeed I think it would be positively wrong, for this reason: There are a large number of farms on which no

rebate is required at all; if they were revalued they would probably show a value higher than when bought. To give a flat rebate, it would have to be necessarily very small, perhaps ten per cent, which would be absurd, for it would be giving to a large number of soldier settlers something they do not require, and on the other hand it would be denying justice to a number of other settlers who need assistance very badly. An average rebate of ten per cent would be of no use at all to this latter class, whereas if the rebate was confined only to those soldiers applying for it, of course they would not seek it if they thought the valuation of their property would be raised, and so the government could afford to give a reasonable rebate to those whose land was undoubtedly purchased at too high a price. When the Prime Minister and his party were in British Columbia last summer they did the Comox-Alberni district the honour of visiting it. We were very proud to see him and his party, and he was kind enough to give an interview to a deputation of these soldier settlers, and he was further good enough to go out and see for himself some of the uncleared bush land from which had been taken all the merchantable timber, leaving stumps running perhaps twenty or thirty to the acre and from three to four feet through, and which could not be cleared at less than $10 to $15 apiece; and in some cases the second growth has covered the land. The Prime Minister was told that that land was bought for the soldiers in the early days of their return at $45 an acre, but the current value of similar land alongside, both then and now, was between $5 and $7.50 per acre. It matters not now whether there was graft or mere mismanagement; there was a rush in those early days, and something had to be done in a hurry. Here is a case where an investigation should take place, and these men should get a substantial reduction on the original cost of their land. It may be asked: What is the use of always asking the government to spend money and then passing resolutions denouncing them for it. But this is not a case of spending money at all; it is a case of throwing out these people and then taking in others to fill their place to whom you will have to sell the land, not at the original price but at its present value. The original purchase money is gone; it was gone when whoever was in charge bought this land at six times what it was worth. It is now a question whether you are to throw out these soldier settlers and sell their land to other people—perhaps orientals—at its present value, and take the loss; or let these men stay on the land at its present value and take the loss; the loss will have to be taken in any case. I would suggest therefore that it would be a very proper thing indeed for the government to go very thoroughly into this subject and have a revaluation of all the soldiers' land where required.

There is another matter I would like to touch on, and that is the question of old age pensions. I was very much pleased to see the Minister of Labour (Mr. Murdock) give notice that a committee would be re-appointed this year to deal with this matter. I trust that the personnel will be the same as that of last year, because we understand the subject and are in a position to deal with it easier than it can be dealt with by others starting afresh. The resolution that that committee brought down last year was a recommendation to the government to devise a scheme on a very modest scale of old age pensions, with the understanding that each province that wished to take it up would pay half the cost. The idea was that the provinces are now compelled to meet the whole cost of aid to destitute people, and although under the new plan they would pay half of the larger sum involved, they would probably pay no more in the long run than they are paying now, and the pension system would be a suitable one to all concerned. The question of destitute relief is getting acute in some of the provinces and this would be a method of dealing with it. I understand that the government consulted the provinces in the recess to find out what their attitude was, and I suppose the answer of the provinces will be submitted to this committee and I hope we will be able to arrive at some conclusion and make some recommendation to the government by which this question may be dealt with. It is an all-important matter; it is a phase of social reform in Canada that should be brought more to the front in the political programme of both parties in the near future.

Having talked to-day and last night for an hour and a half without mentioning the oriental question perhaps I may be permitted to refer to it now. I do not intend to discuss the principle involved; I consider that that was well defined in the resolution passed by this House in May, 1922. Public sentiment since then has crystallized into the belief that that resolution expresses the situation, not only as it was but also as it should be, in regard to governmental action. It is very brief; I will quote it for the sake of getting it on Hansard:

> That, in the opinion of this House, the immigration of oriental aliens and their rapid multiplication is becoming a serious menace to living conditions, particularly on the Pacific coast, and to the future of the

country in general, and the government should take immediate action with a view to securing the exclusion of future immigration of this type.

It was moved by a member of the government that the word "exclusion" be struck out and the words "effective restriction" be substituted therefor, which was done. But it was done with the assurance of several members of the cabinet that the words "effective restriction" would be held to mean, although for diplomatic reasons the idea was otherwise expressed, the same as exclusion. That was the resolution that was passed at that time, and it was strengthened by the remarks of the Prime Minister (Mr. Mackenzie King) in the debate on July 11, last year, in which he used this language—I will quote only one sentence:

If we find that we cannot get effective restriction in the manner I have described, the government will be prepared to consider any further restrictive measure which my hon. friend or his friends from British Columbia may bring to its attention.

Now, I wish to deal with the situation since, starting, as it were, from that resolution; with what has been done by the government to implement that resolution and that pledge, and what yet remains to be done. The government have done three things, which I will deal with individually. In the first place they passed the Chinese Immigration Act, which to my mind has been an unqualified success. I asked for returns the other day and I find that in the calendar year past practically no Chinese immigrants have come to Canada: only two members of the diplomatic service, two of their servants, no merchants, no students. Seventy-four came in under permit, which means that they may stay not longer than six months. Out of the seventy-four, thirty-five were Chinese actors under permit, and these were compelled to put up bonds to ensure their going out within the specified time. The rest of those who came under permit were of the classes that none could take exception to—clergymen and their wives, consular service and immigration agents; Chinese passenger agents, and so on. So it may well be held that this act has dealt effectively with the exclusion demand so far as the Chinese are concerned. I may say, too, that much of the success of it was due to the efficient manner in which the immigration officers administered the act. I have been to some trouble to check them up; I cross-examined them, almost, in the matter, and I am well satisfied that they are enforcing the act very rigidly, but still in a fair and reasonable spirit. I think it may also be said that the results in a political sense are highly satisfactory. There was a little friction at the time with the Chinese, but that has died out and I firmly believe there is a better feeling between Chinese and the white men in British Columbia than there ever was before. The Chinese know just exactly where they are, and what their limitations are. The white man, when he is brought in contact with the Chinaman by competition, is able to say: "Well, you are there, but no more of you will come in," and he is satisfied, so to speak, to leave the Chinaman where he is. So much for that phase of it.

Then, the second thing that the government have done in fulfilment of this pledge is to place restrictions upon orientals in the fishing industry. This is a subject that requires a little consideration. The hon. member for Bellechasse (Mr. Fournier), I think, was speaking somewhere in Ontario the other day, and I saw in the paper that he made the comment that it was noticeable how the habit of "propagandering", if that is the right word, has increased since the war. We learned it during the war days, and, as he pointed out, every big industry, almost every large organization, now maintains a press agent for the purpose of disseminating propaganda. I had noticed that myself, and I look upon it as a regrettable thing. I think it was much better in the old days when news was collected by reporters, employees of the press. They were reliable, intelligent and unprejudiced men, and what they collected and prepared for publication was generally pretty nearly accurate. If it was left to them to-day it would be the same thing. But now the press agent sits in his office and writes out a dozen, yes, two or three dozen, little news items, varying them a little from time to time, and he sends a few of them out to this paper or that magazine at the last minute. The editor has usually no reason to suspect there is anything wrong with them. Perhaps the main idea of the article or news item is true, but it is skilfully perverted to educate the public along one particular line and to convince them that something is true which is not true—because that is the main idea of propaganda. Now, that has been done in this matter. There has been a very skilful and, I should imagine,—I hope so at any rate—well-paid propaganda in connection with these restrictions upon orientals in the fishing industry in British Columbia. It has been widespread; letters and telegrams have poured in to the minister, some from this angle, some from that angle, in order to concentrate upon him and to give the impression that there is a general feeling

in British Columbia in connection with this matter. The idea is to show that the whole thing was a mistake; that it had misfired and should be corrected. But this is all propaganda; it is "bunk" of the plainest description. Any man with a printed letterhead that did not too plainly betray his connection with the Japanese, and who was unpatriotic enough to do it, was invited to write to the minister expressing his views. I traced some of these to their source and in almost every case I found that if they were not in the direct pay of the Japanese they were obliged to them in matters of business relations, and so on. There was another feature I noticed, too, in this white propaganda, so to speak: it was how wild their remarks were; how inaccurate their statements. The Japanese put in petitions of their own, but at least they knew what they were talking about and kept within the bounds of moderation in their arguments. But these men who did not know the first thing they were talking about simply let themselves go to please their oriental allies and made some of the most ridiculous statements you could imagine. The press was not lost sight of, either. Little news items were sent to this newspaper and to that; or articles occasionally appeared. They were usually, however, in the form of letters to the editor, signed by "Tom Smith" or "Bill Jones". I was particularly impressed by one contributor —I forget his name—who, in order to make good his case and to earn his money, in the course of a violent attack upon myself made the statement that he was able to produce individual Japanese who had done more for the progress and prosperity of British Columbia than the whole tribe of Neills from creation down. Mr. Speaker, I would like if I had time to get in touch with that gentleman. I admire the research he must have made to trace my pedigree back as far as that. So far as my family records go, I can only go back a couple of hundred years, when one of my ancestors met a violent death. The democratic wing of our family says that he was hanged for sheep stealing, but the more aristocratic members claim that he was beheaded for intrusion into the politics of the day. We all know that at that time it was quite an honourable thing for a worn out politician to be beheaded; they had not discovered the Senate in those days!

I would like to point out, in justice to myself and also to other members, that this restriction on Japanese fishing in British Columbia is not the work of one member, or of two or three members, at all, and it did not originate entirely in British Columbia. It was the recommendation of a commission —I have its report here, but I shall not read it—a commission composed of six members of parliament, of all political parties. Two of them came from the east, and so were quite untrammelled by our local prejudices; they saw things for themselves. And the resolution recommending this restriction was passed unanimously by the commission. Further than that—the members who came from the east are in the House and can bear me out—the conditions so surprised them, hit them so much harder than us who were used to them, that when we came to consider the restriction clause they were prepared to go much further than we were. They were prepared to make it a whole sweep of one hundred per cent, but we, knowing the local conditions, said: "No, let us go slow, and then we are likely to go further." But certainly that recommendation was not the idea simply of one or two members from British Columbia.

Now the only support of any importance, the only reputable support that this propaganda has received from what I might call any semi-public body, has come from the Canners' Association of British Columbia, and curiously enough, theirs is the only industry in British Columbia that has not suffered from direct competition with the Japanese. They have suffered from competition in London, because there the Japanese from Siberia compete with them with Siberia-put-up salmon; but the Japanese have no canneries in British Columbia, and so the British Columbia canners do not suffer from their competition there. There is no other class or industry in British Columbia that does not so suffer. The farms, the logging camps, the mines, even the stores and hotels, every class of industry in British Columbia, suffers from the direct competition of the Japanese, except the canning industry, and the canning industry is the only one demanding that this restriction be taken off the employment of Japanese. And they do not only ask it, they demand it, and they are emphatic in their demands. They go so far as to say: If this is not done, we shall have to shut down;—and when an industry with a capital of $11,000,000 invested in it uses language of that kind we can only conclude either one of two things, either that a really desperate situation exists which deserves investigation, or that some one is putting up a bluff on the people of Canada. Let us consider which of the two it is, for that point is worthy of consideration.

This commission to which I have made reference did not deal harshly with the cannery

men of British Columbia by any means. They recognized that they might be put to some loss, or to some inconvenience at least, by this restriction on Japanese, and they considered this in making their recommendations. For that and other reasons they made recommendations that there should be a material reduction in the taxes paid by the canners. The tax on purse-seines used to be $300; the tax on drag-seines at that time was $150; and the government's license on canneries was $500. The commission recommended that all these taxes be brought down to $20 each, and they were all so reduced. The government carried out our recommendation in that respect. Further than that, the commission recommended that the tax of one-half of one cent on each salmon caught in drag-seines, purse-seines and traps be abolished. You can imagine that with the enormous amount of salmon caught, a tax of even half a cent on each individual salmon would amount to a very big sum. The commission recommended that that tax be done away with, and that was done. So the commission did not deal harshly with the canning interests on that occasion.

Now let us deal with the results—not nebulous statements by people who do not know anything about the situation, vague statements that it is going to kill the industry, but cold, hard facts collected from the government returns, not prepared at my suggestion, but issued in the regular way.

I have here a statement of the total pack for the last four years:

Total Pack in Cases	
1921	603,548
1922	1,290,316
1923	1,341,677
1924	1,745,313

This reveals the fact that the 1924 pack of canned salmon in cases was the largest of any year in the history of the industry, even larger than in the bumper year of 1919, just after the war, and which bumper pack was the result of a tremendous effort to stimulate production, and when everything that had a tail that could wiggle or a fin that could shake was jammed into a can and sold. Last year the output was greater than in any previous year. It was 30 per cent greater than in the previous year, it was 36 per cent greater than in 1922, and it was 87 per cent greater than in 1921. There is the record of this industry for the last four years—30 per cent, 36 per cent, and 87 per cent greater than in 1921. You might say: Well, you might catch a lot of fish, and the more you catch the more you lose. I have heard that statement made by the cannery men.

4 p.m.

Mr. DUFF: Was 1921 supposed to be the big year?

Mr. NEILL: No, 1919. Here is an extract from a trade paper, the Pacific Coast Fisherman, dealing with the British Columbia salmon market. It is taken from its March issue this year.

> The British Columbia market continues in very satisfactory shape. Bookings of new-pack sockeyes for Great Britain are already reported at between 75,000 and 80,000 cases, at $14 per case for Skeena and $15 for Fraser river goods; and the tendency of values is strongly upward.

These sales of new-pack sockeyes mean that they are contracting to-day, in March, for delivery of salmon that are still in the water, and that will not be taken out of the water for four or five months yet, and that will not be on the market for eight or nine months to come. Yet they have already sold 80,000 cases, at a good price, and the prices are tending strongly upward. I go on with the statement:

> The only danger seems to be that prices will be advanced too far above the level of Siberian goods, which would invite more competition from the latter. New-pack Pinks also are receiving considerable attention.

Now listen to this:

> The only 1924 pack stocks remaining in first hands in the province are Chums, of which there are about 50,000 cases in strong hands. These are firmly held at about $4.25 per case.

I want the House to note that. Out of a total pack of 1,745,000 odd cases, only 50,000 remain in their hands at this season of the year, or less than three per cent. I have often known the canners to be obliged to go on packing their new pack with more than half of the old pack still on their hands; but here we find a situation entirely different. With a pack 87 per cent greater than it was three years ago; with a better price, a cleaned-up market, and selling already a considerable portion of next year's crop; with less overhead,—because, mind you, their contention is that with the lack of Japanese they could not get enough fishermen—and with the cannery license reduced, with the seine license reduced, and with the tax on salmon caught in purse seines abolished; with the industry in that condition they say: "Give us Japs or give us ruin."

Now the argument they use is that white men have not come into the industry in the same proportion as the Japanese went out—that is their whole argument—and that they have consequently suffered from the lack of efficient fishermen.

Mr. McQUARRIE: Has the hon. member ever seen an advertisement in any of the newspapers asking for white fishermen?

Mr. NEILL: Never, and to tell the truth, I never expect to, and I see all the coast papers. Let me quote one of the subtle little news items:

Statistics show—

They are given to making statements they cannot bear out.

Statistics show that notwithstanding the heavy reduction—

These people have not signed this. It is just a news item and is all part of the propaganda—

—in the number of Japanese licenses in the past three years the number of licenses to white men and Indians has increased only eighteen per cent.

The Japanese reduction was forty per cent.

Canners claim that any further reductions in Japanese fishermen would compel them to apply for the privilege of using traps or to go out of business.

Let us examine that. I will quote some more government statistics. I have before me a statement prepared by the department in the usual course, of licenses issued in 1922 and 1924, before the forty per cent cut came in, and after. It shows the number of licenses issued to Japs in 1922 was 2,933; the number issued in 1924 was 2,241. Deducting the one from the other shows a reduction of 692 licenses in the two years. The number of licenses issued to whites and Indians in 1922 was 4,660. I am quite satisfied in including the two together, for the Indians have as much right to employment as we have, they are good citizens and spend their money where they earn it. I have in my hand a notice issued from Tokyo, Japan, which reads as follows:

Remittances home by Japanese working abroad are an appreciable offset to the country's adverse trade balance for the year 1924. For eleven months these have amounted to 33,800,000 yen.

Adding on the proportion for the odd month it comes to nearly twenty million dollars that goes home to Japan every year. I am justified in including the white men and the Indians in the same category.

An hon. MEMBER: Is that all from Canada?

Mr. NEILL: No, it does not say what amount is from Canada. It is from all different places. The number of white men and Indians who got licenses in 1922 was 4,660, and the number in 1924 was 6,402, showing an increase of 1,742. The total number of licenses issued to everybody, whites, Indians and Japs, in 1922 was 7,593. The number issued in 1924 was 8,643, or an increase in the total of 1,050.

I want to explain a point there. While I have been adhering to the numbers given here I have been more than fair. People say a man can twist figures to suit himself, but I do not need to do that, because I have a strong case without doing so, and I could use the actual figures and make a much stronger case than I am making, because no one who has not the local knowledge would be able to analyse the figures. But I have taken 468 off the 1924 licenses, because they referred to cod hook and line and grey fish fishing; they were not licensed in 1922 and they were licensed in 1924; therefore if I included them I would be giving an unfair advantage to my own case, so that I do not include them. The net result which I wish to show is that the total number of licenses in these two years increased—not decreased—1,050. The whites and Indians increased 1,742, while the Japs only decreased 692. Surely that does away with the argument that they are being handicapped by the reduction in the Japanese licenses, because they cannot get others to take their place, when not only have the total number increased, but the white men and Indians have increased to the number of 1,742, as against the Jap reduction of 692. But I have other figures here going into more detail.

The way the canners do their figuring is this: they take some isolated inlet, and show a reduction there and build up their argument. I am going to show the fallacy of that. Here is one district up north. The total number of licenses issued in that district has decreased 14.8, practically fifteen per cent. I admit that That is what they build their argument on They say the white men have not come in, to replace the Japanese. Not only did the white men not increase in that place but they went down thirty-eight per cent. The cut in the Japs in that place was forty per cent. But this return shows that the reduction of Japanese licenses was practically fifty per cent The reason is due to some local condition. Perhaps the salmon did not run that year, or a cannery was shut down. But the whole thing was reduced. If they had been short of men they would have employed their whole quota of Japs, but here they have not employed their whole quota, because the reduction is fifty per cent instead of forty. Here is the district in which they say the white man is going down. Certainly he is going down, because the law of supply and demand enters into it. Here is another case which was featured to the Minister of Marine and

Fisheries. Take the district of Skeena. In that district they show the licenses had gone down 150, practically fifteen per cent. The number of licenses issued to white men last year in the Skeena was 248, which is an increase of fifty-six per cent. The Indian licenses increased six per cent and the Jap licenses went down forty per cent. The white man goes up fifty-six per cent, the Indian six per cent, the Jap goes down forty per cent and the question is asked, how could there be a reduction in the total? The reason is that the Japs outnumbered the white men in that district four to one, and that forty per cent reduction of the Japs came to more than fifty-six per cent increase of the white men. But in an industry where the white men increased fifty-six per cent in two years, surely it cannot be said the white man is not coming in to take the place of the Jap.

There is another reason I want to give why that reduction occurs, on the top of the reason I have given. That 1922 commission went all over the province and amongst other places we visited Skeena, and there the cannery men and managers came before us and said "We have too many boats on the Skeena". I must say that the cannery men almost entirely provide the gear, the boats, and some expensive nets and give them to fishermen, on shares, and the outlay is considerable. They said, "There are something like 1,100 boats and licenses on the river. That number is too many. We would like to go back to the old system of the exclusive privilege where the waters were allocated to the different canneries and each cannery got so many boat licenses." But the late government changed that policy, and this commission could not see their way to do anything different. However, by cutting down the number of Japs we did decrease the number of licenses on that river. The number went down from 1,100 to about 800, and what was the result? The result was that they caught more salmon with a fewer number of boats and with a largely decreased overhead expense. They found they had had too many boats and too much expense. The ruling of the commission in regard to the restriction in the Jap licenses was a perfect God-send to the canners because it enabled them to do what business jealousies had prevented them doing before. Formerly they would not cut down their overhead expenses; they all knew they had too many boats, but one man would not cut down the number of his boats for fear another man might perhaps catch a few fish more than he had. They would not stand for that. The result was that they kept on this competition until they were on the verge of ruin. They found this was the case and this reduction was satisfactory as they caught more salmon at a smaller overhead cost.

But what happened in the next year? The reduction of 40 per cent was in 1923. There was no reduction in the number of Japs in 1924. So, in 1924 the cannery men got together and they said: "We have had an object lesson. This thing can be extended. We will agree to cut down the white licenses now because we have still too many." They made what is called a gentleman's agreement amongst themselves, and they cut down the number of boats which they would take at each cannery with the result that they still caught as many fish but naturally they did not employ as many white people. I want to quote just a sentence from two or three letters I have here on this subject. This is one from an Old Country fisherman, just out from the Old Country, who went around trying to find employment. I do not know him and will not vouch for him. He wrote to the Vancouver papers complaining of his troubles. I will quote only his last sentence which is this:

> However, it is no business of mine to argue the matter, but I would like to question Mr. Rhodes' statement that there are no white men to take up the vacated licenses of the Japs.
>
> Can he tell me why, to all my applications for a net at the different cannery offices in Vancouver, I have received the same reply as I did last year. Full up?

This is another letter from a man I can vouch for, a returned soldier. I know him well and his word is reliable. I quote this from his letter:

> I wanted also to state that I was turned down cold at Rivers inlet for a fishing gear. My reason for telling you is because I have heard that there is some fool talk about Japs coming in as of old, on account of a shortage of white men. I happen to be only one of the white men who were refused this past year. British Columbia Packers, Bell Irving and Gosse Millard canneries are the ones I tried. That includes five canneries on Rivers inlet. That was as many as I thought likely and had been told by different parties the others were full up. If I had been a green hand I wouldn't have minded so very much, but I have fished on River's inlet since 1919 and also before I was in the army. Being a British subject is the biggest farce ever pulled as far as fishing goes.

This is the complaint of two practical, white fishermen as to their trouble, that they could not get gear because the canneries had very naturally decided not to employ as many as before. I am sorry the Minister of Marine and Fisheries is not in his seat, but I think I see the minister without portfolio, the hon. member for Ottawa (Mr. McGiverin), and he will recall in Vancouver, before a delegation of the cannery men who interviewed him, that I gave this explanation of the situation on the Skeena river; that I invited contradiction if my statements were contrary

to the facts in any way and that I received no contradiction. I will give the real reason why the cannery men prefer the Japs. The reason is two-fold and very natural too. One is that the Japs are much more convenient to deal with. The white men are unfortunately not amalgamated; the cannery men cannot deal with them in a body. They ought to be amalgamated. But the Japs are; the cannery man sends for the boss Jap, and in a few hours he can complete the whole arrangements for his season's work. He says to the boss Jap: "I want so many Japs for fishing licenses. I want so many to work in the canneries. I want so many to make a contract to fill the cans and pack them," and so on, and that is the end of his troubles for that year. The boss Jap attends to all the rest. If a Jap dies or disappears, the white employer never hears about the event. Another one is put at once in his place. This saves the cannery man a great deal of trouble, I quite admit. The other reason is that the Japs are probably cheaper, in this way. The white man demands better accommodation. He will not live in a shack let alone permit his wife to live in one, as the Japs will. A Jap and his wife and eight or nine children will live in one small shack and be quite happy under sanitary conditions that a white man would not tolerate. I well recall the surprise on the faces of the hon. member for Lunenburg (Mr. Duff) and the hon. member for Hants (Mr. Martell) when they went into a cannery one day and saw Japanese women, with babies from three weeks to nine months old strapped on their backs, putting up the salmon in cans. We were used to this, but it was a revelation to them.

Mr. DUFF: I sent the babies home.

Mr. NEILL: People in the east say: It is a funny thing that virile white men cannot compete with the Japanese in British Columbia. That and similar reasons are why we cannot. We do not want to subject our women and children to living under such conditions of life and work. For that reason, it is naturally cheaper for the cannery men to employ Japs because their quarters are much cheaper in that regard.

The cannery men are primarily interested in getting Japs back to use gill nets. They are not at all interested in the herring branch of the industry. There are 1,179 Japs who got gill net licenses last year. They are all allocated to different canneries pro rata. There are something like sixty-five canneries, so that they would average from nineteen to twenty Japs to each cannery. They do not always get that number, but that is an average and the department is proposing this year to impose a further restriction on these Japanese of only 15 per cent. Fifteen per cent out of nineteen or twenty comes to less than three, but we will call it three. That is the extent of the trouble and embarrassment that is proposed to be imposed upon these canneries—to replace this year three more Japs with three white people. The canning industry supports, it is said, 17,000 people in British Columbia. We ask to cut down these gill net workers by 180 this year, or only three to each cannery, and that is what all the trouble and fuss is about, all this propaganda and talk of ruin of the canning industry, because of employing three fewer Japs in a cannery on an average and three more white men. I have more data that I could give that would be illuminating, but I will not give it now because I think I can contend that the cannery men have not made out a good case for the increased use of the Japanese.

These cannery men, as I quite admit, have their own troubles. I believe they are oppressed by a case tax which, I think, is too heavy, and I would also like to see the sales tax taken off, not only for their benefit, but for the benefit of all the working people, because canned salmon is the poor man's food. I have, time and again, urged and I will again in the future urge that change on the government, particularly a reduction of the case tax which is very unjust to the cannery men. I would be delinquent in my duty as a representative even from the district, let alone from the province, if I did not do everything I could to advocate the interests of the canning industry and of these same cannery men about whom I have been talking. I realize they have an enormous investment. As regards their business and the employment they give, their industry is of the greatest importance. I do not minimize in the least the consideration they ought to get; I am prepared to support them in every legitimate manner, and I have done so as the Acting Minister of Finance (Mr. Robb) knows. But there is such a thing as being fair to both sides, and the cannery men should recognize that they owe something to the people of British Columbia by trying to help to make this industry a white man's one in years to come.

Mr. LADNER: The hon. gentleman has made out his case against the cannery men, but in the representations which some of us have received, the question is not so much

of keeping the Japanese out of the province or out of one industry, as, having excluded them from one industry, what is to become of them? The representations which I have received are that the government, by interfering with the business in the hardships of which they naturally engage, are forcing these men to go into some other industries more congenial to white men, such as the growing of small fruits, and I have communications from various sources complaining that the government are driving them out of the fishing business; driving them off the high seas and forcing them into the more congenial atmosphere of the small-fruit business. The hon. member made a considerable study of the question and other hon. gentlemen would be interested to know his views on this point: the Japanese being in the province, where will legislation cease in directing their activities?

Mr. NEILL: I should hardly like the hon. member to leave the impression that I had made out any case against the cannery men; I am here simply to say that they have not made out their case so far as the restriction is concerned. As regards the other points to which the hon. member has alluded, I shall deal with them shortly. But I will say that I, too, have received suggestions that these men are being driven into the berry-growing business, but I have traced the allegation to its source in one instance and I find that it does not come from the berry men themselves but from a paid lawyer of the Japanese. And that naturally vitiates to a great extent any weight it might have. It is all very well to contend that they should not be allowed to compete with the berry growers, but that objection should come from the berry growers themselves and not from the Japanese; otherwise it loses all its force. It is like the man who went to the council of a certain town and put up a strong plea to have the place made a horseless town. The town council were much impressed but the representation lost a good deal of its weight when it was discovered that this man was the garage owner in the town. The same principle applies in this case. Let us wait until the berry men complain and then I will pay more attention to the representations that are then made. I want to be sure, not that the man who is making those reresentations is speaking on behalf of the berry men but that the berry men are actually complaining themselves; I want the berry men's O.K. to the complaint.

Mr. LADNER: Although the hon. member has not ascertained the facts himself, he must know that if you take five hundred or a thousand Japanese from the fishing industry they must find work somewhere else. My question is, how does he propose to handle that phase of their activities?

Mr. NEILL: I shall deal with that question later. As regards the herring business, that is in the hands of a totally different class of people. I may observe here that they do not can herrings to any great extent out there; they dry-salt the fish in a very primitive way. The herring packers were told last year that they would have to employ twenty-five per cent of whites or Indians in their crews on the seine boats on the east coast of Vancouver island. On the west coast for nearly ten years all the employees on herring seines have been white men and no disaster has occurred. I can recall the time the Japanese were taken off the salmon seines some years ago; they were removed one hundred per cent in a single season, and although disaster was prophesied nothing untoward happened. In the present case the trouble arises from the fact that the Japanese have been told that twenty-five per cent of their employees on the herring seines on the east coast of Vancouver island must be white men or Indians. There has been some propaganda in that connection but I shall not delay the House to discuss it. However, the Japanese sent in two petitions in that regard both of which I have studied with considerable care. The stuff that I got from some of the white men I threw into the wastepaper basket as being unworthy of consideration; they were talking nonsense. But the Japanese put up a reasonably worded plea and I gave it all the attention it deserved. They stressed two main contentions, the first of which was that only Japanese could fish profitably in this particular spot on the east coast of the island. They stated that there was a place where the tide ran so strong that it called for the greatest skill in handling the boats. There was a frequent change in the tide, one current below another, and that it was impossible for anyone to man a boat there unless he had thorough experience as a fisherman. It was stated further that the bottom was rocky and required very skilful and experienced men. And so on. At this particular place which it is said is so exceedingly difficult to navigate, a spot called the Gap in the constituency of my hon. friend from Nanaimo (Mr. Dickie), there is never any very great catch; some years they have taken no more than fifty tons per net in the whole season. So that it would not much matter if that place were eliminated. Now, I admit that in these particular waters, as in every

industry, experienced men are required. But the point with which I take issue is the implication that white men or Indians cannot be taught to fish in this spot or anywhere else. The Indian has been all his life more or less on the water and there is no reason under the sun why he should not gain experience enough to handle boats here or anywhere else. Is there some peculiar fetish about that one particular spot in all the wide world that white men cannot learn to fish there? That is the Japanese argument and it falls to the ground the moment it is stated. The fact is, of course, that the Japanese employers do not want to get rid of their countrymen, and last year they complied with the law nominally; twenty-five per cent of their employees were white men. But they took these men on and never gave them any opportunity to get into the hang of handling the nets under these particular conditions. White men in a similar situation would have looked to the future and seen to it that the inexperienced fishermen should learn to handle the nets so that the following year they might be able to do the work properly. But the Japanese did not do that; they kept these white men on the pay roll in order nominally at least to comply with the law while their Japanese countrymen continued fishing. They were able therefore to say to the fishery officer, "We have tried the white men and they have proved a failure". And naturally the white men failed under those conditions; they were not given a chance to acquire the local experience. I want to quote a few sentences from a letter I received from a man who gave evidence before the Fisheries Commission over which my hon. friend from Lunenburg (Mr. Duff) so ably presided,—and I remember that the hon. gentleman as chairman of the commission commented on the intelligent way in which this man had given his evidence. He says:

> Enclosed please find clipping from a Vancouver paper.

The clipping reads:

> The weight of evidence shows—

And there is no weight of evidence at all.

—that neither whites nor Indians can handle herring nets successfully on the rocky east coast of Vancouver island, it is stated.

This correspondent goes on to say:

> I enclose clipping which is an outrage and entirely untrue, and no doubt you will agree when you read it. It practically says that a white man or Indian don't know or cannot catch herring by the purse seine method on the east coast of Vancouver island. Well, sir, for your information I would say that the white man taught the Jap how to catch herring there many years ago, and myself was one of those that they learned from by watching us. And also in regard to the new law passed last June making it compulsory for the salteries and seine owners to use 25 per cent whites or Indians: it is a good law and will ultimately give back to the white fishermen and Indian that which they have been gradually edged out of for years. I have been identified with the fisheries over 35 years on this coast and am absolutely fed up with the way the white man has been edged out of his inheritance, namely, the fishing industry of British Columbia and compelled to go to the States to get a living on account of the Japanese. We want that law pertaining to herring fishing and salting left just as it is. Give the white fisherman a chance and he will soon show them whether he can catch the fish or not.

I have also a telegram which I should like to read. I wrote to a man, sending him a copy of the Japanese petition asking for his opinion. This is his answer:

> B.C., 30-31 March, 1925.
>
> A. W. Neill, M.P.
>
> Sir, your letter just been read to me over the wire am on my way fishing will be gone two weeks can contradict all statements made by Japanese and supply proof we have fished salmon successfully in those very waters under the same conditions I will write full statement upon return.

This I think answers the contention that they cannot use whites or Indians; they can. The other contention has somewhat more weight: it is urged on behalf of the boss men or packers, not the individual fishers; it is said that they were the pioneers and it is unfair to freeze them out. That is an argument that appeals to any white man. I considered that carefully too, but it is untenable, in this regard: we are not seeking to drive out Japanese capital; we are not seeking to drive them out of the business at all. In fact, we are quite willing they should remain. It is true they cannot get individual herring net licenses in their own names, but they can do what a good many of them have already done —form a company with a few white men at the head and by mortgage or some other control continue in the business. All we ask is that they employ white men. That is not an unreasonable request. On the west coast they have employed for years all white men on these herring boats owned by Japanese, these boats taking their fish into Japanese plants. So there is no trouble in that respect.

Another contention they made was that they are best qualified to deal with this trade, that it is in a way peculiar to them because they understand the oriental market and handle the trade over there. I want to explain that. The market for these herrings is not in Japan at all,—if it is it is for a very small amount; the ultimate market is in China, principally in southern China, and these Japs ship the herrings over to Japan, I suppose, and tranship them to China. In reply to the implication that if we interfere with them too much we may lose this very important business, let

me quote a telegram which I received the other day from a government official:

Student class in southern China prevent any dried salt herring of Japanese origin being marketed there, and correspondence and newspaper despatchs from Orient mention destruction of shipment suspected of Japanese origin.

When they find there any of this dry-salted herring coming in which they suspect of being handled by the Japanese they take it out and burn it. I have an extract from a letter written by a Chinese merchant to his agent in Vancouver, expressing the same idea. He practically says: For heaven's sake don't let it be known they are handled by Japanese. Let me quote one or two sentences:

In case you cannot secure space of direct steamer you should transhipp the goods to us either through Hongkong or Shanghai. This commodity should not be shipped in a Japanese steamer as we do not like its name appeared in the bill of lading and other documents.

In order to remove suspicion, we wish you to mark the boxes according to the sample which we sent you on July 5, 1924. It should be also marked "origin of Canada" on the box. The seal of the government should be used if possible.

We believe that you will be pleased to help us from difficulty. We wish you to write a letter to the British Consul and ask him to remove the difficulty or suspicion of your product as Japanese goods. The Chinese officials and the chamber of commerce should be made to understand that the fish is a Canadian product not Japanese product.

It is evident that the ultimate market for this commodity is in China. The Chinese merchants are willing to buy it from white men, and they are very much afraid that any shipment should be suspected of being of Japanese origin. So I do not think we need put much weight on the Japanese contention that the market may be lost if they do not get the privileges they are asking for.

Now I come to the argument of the hon. member for Vancouver South (Mr. Ladner), the argument advanced by the Japanese, that these men who will be taken out of the fishing industry will go into the berry industry.

Mr. LADNER: I do not wish it to appear on record that the Japanese have advanced this argument to me. The argument has been advanced by people interested in the fruit and other industries. They say that already the Japanese who are being driven out of the fishing industry are crowding into these other industries. What solution does the hon. member suggest for this trouble?

Mr. NEILL: I entirely disclaim any suggestion of making a personal reference to the hon. member. My mind was so full of the correspondence I have received that I was applying it to these correspondents and not in any way reflecting on the hon. gentleman himself. I have no doubt that he has letters of the character he indicates. Now I want to deal with that argument. I have heard it stated that some of the Japanese have gone north to Siberia to engage in fishing there. I do not know what weight may be attached to the statement, but I think practically little. I am willing to admit that most of these Japanese must find other occupations. But there are 60,000 orientals in British Columbia, and taking 200 out of the salmon industry each year is not going to create any particular hardship when they are spread over the 60,000 engaged in other industries. What is of far more importance is the constant importation of orientals. The restrictions do not run quite so high in number as he thinks, but what is the use of restricting a couple of hundred from the salmon industry if the Japanese are coming in by their thousands every year? There is where the leakage is, and that is where we want to stop it. But I want to deal with that point still further, and to draw particular attention to the first two paragraphs of a resolution passed by the British Columbia legislature. The resolution itself is a long one and I will ask permission of the House to place it on Hansard. I think it may be fairly stated that when the legislature of any province passes a resolution it pretty well represents the provincial point of view on the subject matter dealt with. This is the most drastic anti-oriental resolution that I ever saw the British Columbia legislature pass, and I have seen them pass a good many in years gone by.

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

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

And be it further Resolved, That an humble Address be presented to His Honour the Lieutenant-Governor, praying that he cause a copy of this Resolution to be transmitted to the Hon. the Secretary of State or other proper official at Ottawa, for presentation to His Excellency the Governor General in Council.

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

depriving the Dominion of Canada of the power of regulation, control and prohibition of Asiatic immigration?

You see, they recognize the continuance of this restrictive policy in all lines of business. This resolution was passed by the British Columbia legislature on December 17 last, and I want to point out the peculiar conditions of the vote. If you look at the records of the British Columbia House, you will find that something happened which I never heard of before in any legislature in the world. There was a vote forced—we know how that is done—and the vote as it appeared was 43 yeas; against, nil. A number of people all of the same mind, 43 of them, forced a vote in order to have it recorded that they were there and voted in that way. The journals of the House go on record that there were three members absent, and they named those men, bringing the membership up to 46; there was one member deceased, and there was the Speaker in the chair, these accounting for the complete membership of 48. It shows the determination of those men to get themselves on record when they compelled a vote on a matter in regard to which there was no opposition. I think you will find the politician in British Columbia always has his ear to the ground and knows what his constituents at home think about the matter. I also draw attention to the fact that those members were in favour of further restrictions at that time. Still it may be held that I have not completely answered the objection of the hon. member for Vancouver South in regard to the berry growers. Perhaps he will accept the evidence of the berry farmers themselves. On February 17 and 18, 1925, the United Farmers of British Columbia met at Revelstoke and passed a long resolution, which I want to place on Hansard:

Whereas the Oriental population in B. C. is estimated at 60,000 owning or leasing 26,000 acres of land, and if allowed to continue uncontrolled will surely soon force the remaining white vegetable growers off the land, and in so doing strike at the very base of the structure of the white population, and

Whereas the refusal of the Orientals, excepting the majority of the Japanese, who are good co-operators, although supplanting white people on the land, to join the co-operative marketing organizations on the success of which the best hopes of the vast majority of the white fruit and vegetable growers are centred, nullifies the efforts of these organizations, and

Whereas in fishing, lumbering and retailing and many other lines of business they are, by industry and price-cutting, ousting white competitors living at Canadian standards, and

Whereas it is estimated that Orientals export to their home countries through banks and post offices $16,000,000 annually, thus robbing Canadian trade, and

Whereas a homogeneous and not a dual population is in the best interests of Canada, both for strength of the nation in war and its institutions in peace.

Therefore, be it resolved by the delegates of the United Farmers of B. C. in convention at Revelstoke, February 17 and 18, 1925, that they support the resolution on exclusion of Orientals sent to Ottawa by the B. C. government, and earnestly urge the prohibiting of the owning or leasing of land in Canada by Orientals, and the passing of such further legislation as will tend to eliminate Orientals from competitive business in Canada.

I would direct the attention of hon. members to the concluding paragraph. Far from wanting this restriction on Japs cut out, they want it extended, and they say, "Eliminate orientals from competitive business." Further, they want the same principle extended to the holding of agricultural land in Canada. I think that goes far enough. What they want is the same restriction as was passed in California, a law prohibiting orientals from owning or leasing land for agricultural purposes. That of course is a provincial matter, and I only quote it to show that the United Farmers of British Columbia are not unwilling to restrict oriental participation in the fish industry; only they want the restriction applied to them further.

Mr. McQUARRIE: Has the hon. member made any inquiry as to the right of a province to pass such legislation, in view of the existence of the Japanese treaty?

Mr. NEILL: That, Mr. Speaker, is somewhat beside the subject, and I am taking up a good deal of time, but I suppose I am in order to answer. Yes, I have made investigations in that regard, and I believe it would be entirely intra vires of the province to pass such legislation. Here is the Japanese treaty referred to; section 4 says:

They—

That is, nationals of either race.

—shall be permitted to own or hire and occupy houses, manufactories. . . . and to lease land for residential, commercial, industrial and other lawful purposes, in the same manner as native subjects.

It has been held by legal luminaries that that extends to the buying or leasing of land for any purpose of business, factories and so on. The next section is the one which I think applies to agricultural land. It says:

They shall, on condition of reciprocity, be at full liberty to acquire and possess every description of property.

And so on. I would call attention to the words "on condition of reciprocity." That is to say, "You can do what we do." Now, the Japanese law does not allow a white man to lease or own land for agricultural purposes in Japan, though he may do so for industrial purposes. So that it is thoroughly competent for us, since they do not allow us to do it,

to prevent their doing it in British Columbia. I took this point up with one of the best legal advisers of the crown here, and he expressed the opinion that the point was well taken. He said it could not be finally decided, however, until appeal was taken to the Privy Council and he suggested I should try to get some local interest in British Columbia stirred up in the matter. I am glad to say that I have interested one of the local members of the riding I represent and he has promised to bring the matter up in the British Columbia legislature at the next sitting. I have taken too long, Mr. Speaker, in dealing with this matter, but I wanted to show that these restrictions, which were applied on the recommendation of an impartial commission, were conceived in wisdom and have been carried out with fairness and moderation and without doing injury to any industry.

I said earlier in my remarks that I wanted to deal with the record of the government in this regard, and I was pointing out what the government had done in fulfilment of the resolution and the pledges they gave. I said they had passed the Chinese Immigration Act, which is all to the good and most successful. I said they had passed the restrictions to which I have referred, and which are good so far as they have gone. The third thing they have done is to reduce the quota. Now, there is a clause in the gentleman's agreement—I have it here, but I shall not bother reading it—that says that not more than 400—at that time—agricultural labourers or domestic or personal servants shall be allowed by the Japanese government to come into Canada per annum. The quota, it will be noted, applied to these two classes only. Last year the government of the day cut that number down to 150, but unfortunately the door is still wide open for some classes other than these two, such as women and children, and families, to come in practically without any limitation. I shall not waste the time of the House in debating this subject. It is almost an established fact that in that regard the gentleman's agreement is now at any rate a failure. And I may say that while I was praising the officials a moment ago for the manner in which they handled the Chinese Immigration Act, I cannot say the same as regards the Japanese. They seem to look upon Japanese immigration, coming, as it does, under the gentleman's agreement, as something that does not interest them. I do not know that they even have a copy of the gentleman's agreement, and they do not seem to understand its vague provisions very clearly. At any rate they do not seem to pay the regard to its enforcement that they have given to the restrictions under the Chinese Immigration Act. Last year the quota was put at 150. The returns I got in the House the other day show that 146 came in, but that is not the whole story. If I took the time I could show that on the face of it at least 37 of the 146 came in illegally. But what is the use of arguing about that when 262 women came in, and one or two more hundreds in the way of families? Boys of seventeen, as many as you like, can come in—and you cannot tell whether a Jap boy is seventeen or twenty-one—under the guise of being members of families. A Japanese boy can say: "I am a member of the family of so and so that was here twenty years ago," and he has to be admitted. So I shall not take the time to deal with that phase of the subject; there is no doubt the condition is far from satisfactory.

Now, these are the three things that the government have done. They have all been good, and they have constituted a wide departure from the record of previous governments in this regard. But I hope the government will not think me ungracious when I say that while these provisions are good, they are not enough. The people of British Columbia have become aroused. This propaganda has attracted attention and has created a sort of reaction. The people are beginning to sit up and take notice; they are saying they want these things looked into; they demand action. I have numerous telegrams and letters, but I shall refer to but two of them. Here is one from The Native Sons:

> We look for definite action on Japanese immigration at the present session.

That is the key-note of their demand—action; action this session. Here is another one from 607 Canadian women meeting in Vancouver—I am glad to see the women of Canada interested in this subject. They say, "Enthusiastically endorse stand," and they demand that during the present session action be taken. That is the key-note of them all. They refer back to the resolution of 1922 and to the assurance given us on July 11 of last year by the Prime Minister, and they ask that action be taken.

Now, as regards a method, I will suggest one simple method for the consideration of the government. It would be quite easy. Any Japanese coming to Canada has to have a passport signed by a Japanese official in Japan; that, I believe, is the law to-day. All that is needed, therefore, is a small addition, one more regulation by agreement with the Japanese government, to the effect that when

a Japanese arrives in British Columbia he must produce a passport not only signed by the Japanese official in Japan but also viséd by the Canadian consul there as well, with the understanding—the latent understanding, if you like—that the Canadian official is never to put his visé on it. There is the thing in a nutshell. It would have the advantage of not requiring legislation. It would save the face of the Japanese; there is precedent for it; it could not be called offensive; they could agree to it, you might say, in an informal manner, and there would be no need for the strong terms employed by the United States which gave so much offence to the Japanese. If something of that kind were passed I believe it would absolutely meet the case. One addition, perhaps, that I would suggest to it would be this: If possible some system of registration should be adopted such as we had when the Chinese Immigration Act came into effect. When the Chinese registration was being carried out it was discovered that 25 per cent more Chinamen were in Canada than there should have been according to the records. I do not say we should do that with regard to the Japanese with any idea of making trouble for those who are now in Canada; I would leave them at liberty, but I would use it to prevent smuggling, to which there would be great temptation following the making of any such provision as I have suggested.

Now is the time, as never before, for action, and I believe I am speaking in the interest of Japan as well as of Canada when I say so. It is not wise to wait until there is a flaring up of public opinion, like there was in the United States, and then to pass, in a moment perhaps, some drastic measure of exclusion which the Japanese would consider of an insulting character. It should be explained to them quietly and determinedly that if they will not agree to some measure of effective restriction of this character, then they must expect that sooner or later we will follow in the footsteps of the United States. Other nations are tightening up in the matter of oriental immigration. I have been in communication with other dominions and other countries and I find that increasingly the case. In Africa, where the conditions are much worse than here, long years ago the situation got so bad that they absolutely excluded any oriental immigration. But they have come to the stage now where they have a system of what they call voluntary repatriation. The Asiatic problem there is not Japanese, but has to do with the natives of India. They have a system by which in some provinces particularly those in which the orientals are so numerous that they outnumber the white people, they say to any Indians who want to go home to India: "We will pay your fare from the centre of Africa, if need be, to the point of embarkation. We will pay your steamship fare to India. We will pay your railway fare to even the most remote part of India when you get there, and when you have arrived at your native village we will give you $50 in cash, and our blessing." That has been in force some years. The official who wrote me that remarked dryly that they had almost arrived at the limit of the success of that plan. They had repatriated as many as would go voluntarily, and there was talk of making it compulsory in the future. There is the situation we are coming to if we do not take time by the forelock.

Now, Mr. Speaker, there is an election in the air; I can smell signs of it. This is the period in the life of this parliament, as in all parliaments, when it becomes good politics for an independent party or an independent member to attack the government. The time is arriving when not much more can be expected from the government in the way of needed legislation or government grants—and it is always popular to attack a government anyway. If a member is independent and supports the government, of course he is called a truckler, if he opposes it he is called a patriot, and they say that is a sign of his sincerity. Sometimes it is; sometimes it is only a sign of his moral weakness. I recall the case of a magistrate who told me that he had a case before him in which his brother was concerned, and he said that he had given the decision against his brother, although he thought he was in the right, because he did not want to be accused of favouring a blood relation. He thought by that he showed his independence and his courage. I thought he showed his cowardice and moral weakness. It was just as bad to be afraid of popular opinion as to be influenced by his domestic relation. I could follow in the footsteps, perhaps, of the Progressive party when they moved an amendment the other day expressing their opinion of the government. I have it here, and it is a very drastic expression indeed. Of course it was out of order, but if I believed that the government of this day were as bad as this represents them to be, I think I would long ere this have been actively engaged in some line of action calculated to overthrow them. I could very easily draw up an amendment with the knowledge that you will rule it out of order, Mr. Speaker, and that it would not unduly embarrass the

government. I could outline in that amendment a number of policies that would be very popular in my district, and could add a fiery denunciation of the government for not carrying them out. In that way I might obtain some cheap publicity for the moment among a few unthinking people. But the bulk of my constituents are not unthinking people, they are hard-headed, clear-thinking people, and I do not think they would fall for that sort of thing. They are not interested in long-drawn-out, fine-spun debates of theories and academic questions. They are not easily caught by claptrap oratory.

Mr. FORKE: You have spoken for three hours now.

Mr. NEILL: The hon. gentleman says I have spoken for three hours. Would he inform my ignorance as to how the remark is applicable?

Mr. FORKE: You mentioned long-drawn-out debates.

Mr. NEILL: I said long-drawn-out debates of fine-spun academic theories, such as I have heard so often from his side of the House. That is a very different proposition. I do not think any hon. member who has heard me—and I have not spoken three hours; the hon. gentleman might at least be accurate when there is a clock right in front of him—I do not think any hon. member who has heard me will say that I have gone into any academic lines of thought. I have not been debating whether the French should get out of the Ruhr or whether the government should have expressed their opinion on the Seven-power treaty. I have been dealing with matters of practical concern to the men and women of British Columbia and of the district I represent. To go back to my constituents—if my hon. friend will allow me to deal with them a little longer, and after all they are mine, not his—I find that my friends in Comox-Alberni suffer from what I might call a measure of political astigmatism in that they can see only one thing, and that thing is—Results, and it has to be spelled with a great big R. But when they do see results, I will say this for them; they have the good sense to recognize those results and the wisdom to appreciate them.

Now, instead of condemning the government for not acting as quickly as I and other members from British Columbia would like them to have acted in the matter of oriental exclusion, I am going to take a chance on the government and say that I believe they and more particularly the Prime Minister, are sincere in this matter. I believe that he will at this session carry out the mandate given by the resolution of 1922, emphasized by the assurances he gave us in the debate of last July. If they take action in some form along the lines I have indicated, but not on the lines of an extension of what I might call the elusive possibilities of the "gentleman's agreement", for that would not be satisfactory—if they will take action along the practical lines I have suggested, then in that event, and in that event only—and I must emphasize that—for the time has gone past for promises and action is required now—the people of British Columbia I am firmly convinced would recognize that the government had done a great thing for our province, a thing that would be of more and more benefit as time goes on; and then in that event, and in that event only, I believe the people of British Columbia would show their appreciation of the government's action by the way they would cast their votes at the polls in the next election.

Mr. WILLIAM DUFF (Lunenburg): Mr. Speaker, I would first like to congratulate the hon. member for Comox-Alberni (Mr. Neill) on the excellent address which he made not only this afternoon but last evening. Whilst I agree with what he said about the fishery situation in British Columbia, I find myself not in entire agreement with his remarks last night in regard to what should be done in the defence of our shores, both on the Atlantic and the Pacific coasts. However, I am sure that the hon. gentleman was sincere in his opinions with regard to the defence of the sea coasts of this country, and consequently I am not going to raise any objection at this late hour to what he said in that connection.

With regard to the fishery situation in British Columbia—and the hon. member for Comox-Alberni deserves the congratulations of this House for the able manner in which he presented his opinions—I, as chairman of the commission which went out to British Columbia some two or three years ago and made some recommendations to the government, should like to say a few words with regard to the other gentlemen who were on that commission. Being chairman, my whole duty was to sit in the chair and see that the other commissioners kept order; it was these other gentlemen who did the work, Mr. Speaker, and I have very much pleasure even at this late date in saying that the commission, comprised of five other members besides the chairman, did good work for the fisheries of British Columbia, and I might add that it cost only about half as much as any other

commission which investigated fishery conditions in that province.

Now may I deal for a few minutes with the budget and with matters which have been taken up during the debate. The only matter with which I intend to deal is in regard to what the government has endeavoured to do for the province of Nova Scotia, and the announcement which the Acting Minister of Finance (Mr. Robb) made in that regard in presenting his budget. In this budget, Sir, the government in a very practical way has endeavoured to show the people of Nova Scotia that it is in sympathy with them, and the legislation which was introduced by the government with regard to the coal industry of this country,—and of course this applies to the coal industry in other provinces of this Dominion as well as Nova Scotia—certainly deserves from this parliament and the people of this country the highest commendations they can give. It will be remembered, Sir, that not only this year, but last year, the government tried to do something for the province of Nova Scotia. Last year this House voted the sum of $200,000 towards reducing the freight rates on coal, so that Nova Scotia coal could be taken to the markets of upper Quebec and Ontario. The people of Nova Scotia were able to take advantage of that grant made by the government to the extent that Nova Scotia coal was able to be carried one hundred miles farther west than it had been carried in previous years. The government this year have gone one step further, and have introduced a resolution with regard to using slack coal for coking purposes. I do not know whether I am in order in dealing with this question, but I wish to say in passing that the people of Nova Scotia, and in fact the people of all provinces where coal is mined, should certainly express thanks to the government and this parliament for introducing and passing that legislation. In addition to that, when the tariff was brought down, the government increased the duty on slack coal from fourteen to fifty cents a ton. Whilst I am a great believer in low tariff—and if it were possible I would like to see no tariff in this country—yet as long as we have a tariff I see no objection to raising the duty on slack coal and putting it on a level with the duty on the other coal. I think the government has in a practical way shown the people of Nova Scotia and the people of Cape Breton, where most of the coal is mined, that they believe in dealing with these questions in a practical manner, and they are not carried away by what they read in the newspapers or what they hear, but they sit down, I might say, in conference with the members from the Maritime provinces, who in the newspapers for the last several months have been criticized for not going out every day and giving interviews and telling what they have done. It is only fair to say that the Maritime province members and especially the members from Nova Scotia have for the last two or three years endeavoured to get the government to do something in regard to this coal question in Nova Scotia, and I think the government, with the legislation which they have introduced and are now introducing, have shown in a practical manner that their sympathies are with the coal miners of Nova Scotia as well as the coal miners of other provinces of the Dominion.

5 p.m.

We listened last evening to a speech made by the hon. member for Southeast Grey (Miss Macphail). I fail to see, Mr. Speaker, what the remarks of that hon. member had to do with the budget; but in view of the fact that there were perhaps sentimental reasons why you did not want to call this hon. member to order and let her proceed, I trust you will, treat me with the same courtesy and consideration this afternoon, as I think it is only fair that the other side of this question should be given, not only to this House but to the country. There is no question, that during the last few weeks there has been a great deal said pro and con regarding the coal situation in Nova Scotia, and the situation in mining areas of that district. I was very much struck with a remark made by the hon. member for Southeast Grey last evening. You will perhaps remember, sir, that in the course of her address, when speaking of conditions in Cape Breton and the situation of the miners there, she mentioned the fact that the miners were a proud people and did not wish to accept charity or help from anybody. That is quite true. It is a matter of history that the Scotch are a proud race. But it must not be forgotten that not only are the miners of Cape Breton a proud race but the people of Nova Scotia are a proud race. Whilst we are a hospitable people and welcome anybody within our gates, yet as I said a moment ago we are a proud people, and we resent undue interference from outsiders. I have no desire whatever to criticize the hon. member, in view of the fact that she is alone in one regard in this House—

Mr. IRVINE: Does the hon. member mean to say that the people of Nova Scotia would resent the charitable contributions of the

people of Canada in this particular case of the Nova Scotia strike?

Mr. DUFF: I am going to deal with that in a minute. I will explain that and show conclusively that in my opinion, while the people of Nova Scotia appreciate any sentiment that may be expressed or anything which may be done for them if it is necessary, I say that the time has not yet arrived when the people in other parts of Canada need worry themselves about the people of Nova Scotia without consulting, first, the province of Nova Scotia, and secondly, the duly elected representatives of that province in this House.

Mr. BROWN: Does the hon. gentleman mean that the subscriptions collected in Ottawa to relieve the suffering are inacceptable or that we have been unduly interfering in this matter? Is that the meaning?

Mr. DUFF: I think that is the meaning. I think the people of Ottawa had better look after the poor within their own gates, with the money which they have subscribed for this so-called destitution in Cape Breton. There is no question about the good faith of these people, and they subscribed with the very best intentions. However, I say, that the people who subscribed the money would have been better advised if they had consulted the people who knew conditions in Nova Scotia and knew what could be done in order to give relief in that province. They would have been better advised if they had spent that money in their own city. There is no question that there is some destitution and suffering in the Cape Breton area where this strike is in force, and the member for Southeast Grey last evening portrayed certain conditions—

Mr. BROWN: Might it not be urged that the Prime Minister of Canada (Mr. Mackenzie King) gave us a splendid lead in that matter when he gave a private contribution?

Mr. DUFF: My hon. friend must certainly know that the Prime Minister has the biggest heart of any man in this country. That is one reason why he is Prime Minister, and I presume that is the reason why he gave this subscription. I repeat that the people of Nova Scotia are a proud people, and it ill behooves anybody or any association, to send subscriptions to the people of Nova Scotia when every day the newspapers are saying that the representatives of the people of Nova Scotia and the legislature of that province are not doing their duty in this regard. I have no objection to the hon. member for Lisgar (Mr. Brown) or anybody else who so desires, sending $50 or $1,000 to the people of Cape Breton. That is their business. But I repeat that the people of that province are a proud people, and as far as this matter has gone they are able to look after their own troubles and distress.

The hon. member for Southeast Grey gave some individual cases and told us what she had seen in the Cape Breton area. It is quite true a strike has been in progress there for some time, but even if a strike were not in progress there would necessarily be some destitution and some poverty in an area of that size. But the hon. member comes back from her trip and endeavours to impress upon the people of Canada that conditions in Cape Breton are very much worse than they are in other parts of Canada. Now after hearing her remarks and reading what she said, I say you can go to any large city in any part of this country and find far worse conditions than the hon. member found in Cape Breton, although a strike is in progress.

What did she say? I do not want to be too critical, but she told us herself that the person who met her at the station when she arrived at Sydney on her way to Glace Bay —and I presume she went there on the invitation of this gentleman—was the mayor of Glace Bay. Now who is he, pray? She said also, in denouncing the provincial government and in denouncing the parliamentarians, that the Labour party had no representative in parliament. Evidently, this hon. member did not get in the right company or was not told the correct story in the right company, because the mayor of Glace Bay is a member of parliament in the province of Nova Scotia and is known as a Labour member of parliament. There are also two other Labour members from the county of Cape Breton in the parliament of Nova Scotia and, if I am not mistaken, one from the county of Cumberland. This lady was met by the mayor of Glace Bay, and evidently from what she tells us, the mayor of Glace Bay, who is the Labour member from that city, put her on the track to find out where all this destitution and poverty existed. What does she find out? She finds out that people are hungry after a three weeks' strike. It is quite natural that some people would be hungry after a three weeks' strike, but she did not go into the particulars and find out how many people in that district were not hungry after a three weeks' strike. She did not find out that the heads of twenty families, who are getting relief from the relief committee in the town of Glace Bay to-day, had $5,000 each in the bank. She did not find out this, for instance.

and this is something that hon. members will rather enjoy. The hon. member for Southeast Gray spoke about the school children, and it will be remembered that she said she saw children of four years of age in school with hungry looks on their faces. Although she has been a school teacher for a number of years, she has not studied the Nova Scotia law, because under that statute no child can go to school until it is five years of age. She said that she went into this school; that she saw many hungry children there, and that it was necessary for a soup kitchen to be established to give those children lunch in the middle of the day as they could not get any at home. A very amusing incident happened in one of those soup kitchens last Thursday. Mr. Alexander S. McNeil—I do not think he will mind my mentioning his name—is Superintendent of Mines for the whole Cape Breton area. He has sprung from the common people. He went in as a breaker boy, as I think they call it, and he worked himself up to the position which he now occupies. He is one of the finest characters I have ever met, as I think will be conceded by everybody who knows him. Last Thursday at about 12.30 p.m. Mrs. McNeil became worried because her three children had not turned up from school. She called up her husband and asked him if he had heard anything about them. He said: No. At half past one she telephoned the school to find out if they had left. Word came back saying that the three children had gone to the soup kitchen to get soup with the other school children. Therefore, all the stories we hear about the soup kitchen must be taken with at least a grain of salt in the soup.

Mr. WOODSWORTH: Does the hon. member for Lunenburg actually want us to believe that the social workers and others on the spot who are giving relief find out nothing of actual conditions or that the incident he mentions is at all typical?

Mr. DUFF: I said a moment ago, I think, before the hon. member came in, that there is no question that there is destitution and poverty in Cape Breton. But there was destitution there thirty-five years ago when I went there for the first time on a sailing vessel. There is still destitution and poverty there and there would be even if this strike were not on. It is quite true that there is more destitution and poverty there now owing to the fact that, although these poor miners in 1924 paid $240,000 into the United Mine Workers' fund, that organization has not come across with one dollar, so far, to relieve the suffering in Cape Breton.

Mr. WOODSWORTH: Is the hon. gentleman aware that, according to the rules of that organization, it is several weeks before strike pay becomes due?

Mr. DUFF: That is a nice organization for a poor miner to belong to. That is my answer. If they have a regulation or rule on their books to that effect, are they going to stand there in Minneapolis or somewhere else in a foreign country and let the miners of Cape Breton starve, and the Prime Minister, the hon. member for Lisgar and the rest of us support these miners with private contributions?

Mr. WOODSWORTH: Is the hon. member aware that in 1919 in district No. 18 the government co-operated with the United Mine Workers of America to smash the local organization which tried to organize in opposition?

Mr. DUFF: That has nothing to do with what I am saying at all, and I am not going to hark back to that. These men whose families are suffering have in the last few years paid $2,000,000 into this fund; last year they paid in $240,000, and the hon. gentleman is complaining about this government, the local government and the municipality not doing anything, when money belonging to the miners themselves is not sent forward for their relief and to relieve distress in that district.

Mr. WOODSWORTH: May I ask whether the hon. member is not aware that the courts of Nova Scotia backed up the United Mine Workers of America when the local miners two years ago tried to retain their own funds and to select their own officers; that the United Mine Workers of America appointed provisional officers, and that the company dealt with the provisional officers and not with the officers the men themselves had elected?

Mr. DUFF: I am not arguing about the law with regard to this matter. In this, I am perhaps a friend of the United Mine Workers. This is the situation: As regards these miners whom the hon. member for Centre Winnipeg (Mr. Woodsworth) and the hon. member for Southeast Grey pretend to think so much of, although he knows they are starving, he does not raise his voice to say to the United Mine Workers of America: For heaven's sake send them a part of this $240,000 which they paid into the fund last year. I do not care about the law. The situation is beyond the law. The question is whether these men, women and children are suffering and whether they should be looked after

An hon. MEMBER: With their own money.

Mr. DUFF: With their own money, yes. The hon. member for Southeast Grey told us some awful stories last night about one or two particular cases. She told of homes where there were only two bedrooms, a kitchen and a sitting room. How many members in this House—and I hope I am not going to say anything now that will offend anyone—and how many of their grandfathers or forefathers were raised in any bigger houses than houses with two bedrooms, a kitchen and a sitting room? How many fishermen in British Columbia or Nova Scotia or Prince Edward Island or New Brunswick have homes with more than two bedrooms on the second floor and, perhaps, an attic for five or six children? How many people have only two bedrooms, a sitting room and a kitchen? It is silly for anyone to come into this House and talk about conditions like these. These conditions prevail everywhere. These people do not live in palaces; but if they had been a little more economical, maybe they would have been able to add an L to their kitchen or another bedroom over the L. The hon. member for Southeast Grey told us about an awful house on the bluff at Glace Bay where she said a man and his family were living under terrible conditions. She said that there was practically no roof on this house; that it was leaking, but that this man had to pay $20 a month for it. I do not wish to say anything with regard to the statement by the hon. member for Southeast Grey, especially for a certain reason; but she is certainly gullible and she must think we are gullible when she says in this House that any miner or fisherman or lumberman or workingman in Nova Scotia can afford to pay $20 a month for the best house that can be obtained. Instead of paying $20 a month, the most these miners pay is about $2 a week. Twenty dollars a month is $240 a year. Yet the mayor of Glace Bay, who is a Labour member for Cape Breton, assisted by his truant officer—and I do not know the particular reason why the mayor of Glace Bay put the hon. member in charge of a truant officer—told her that this poor fellow had to pay $20 a month for his house.

What other awful things did she tell us? She told us about visiting one family where there was tuberculosis; the mother was suffering from this dread disease, and the hon. member deplored the fact that a woman with tuberculosis should be allowed to sleep in the same room with the rest of her family. Now, I would suggest that before the hon. member undertakes to give us the pleasure of her presence in Nova Scotia she should at least take the trouble to study to some extent the legislation of that province so far as it relates to the matters she investigates. There is no reason whatever why anyone with tuberculosis in an advanced stage should remain at home either in Glace Bay or anywhere else in the province. We have a splendid institution at Kentville and if this doctor to whom the hon. member referred, or the great friend of hers, the mayor of Glace Bay, or the truant officer, had done their duty by themselves and by this poor woman they would have had her sent to the sanitarium instead of having her remain at home with her children.

The hon. member also talked about the terrible condition of the streets, about the sewerage and about other things of that nature. She said there was no electric light in the town; whilst there were lights and a few sidewalks in the centre of the town there was no light on the outskirts. She also told us that there was a lot of mud in the place. Well, we are told that there are good roads in Ontario; but going through the province the other day I spent some ten hours gazing out of the car window, and as my eyes turned from one side of the landscape to the other, this being the first time I had passed through that part of the country, I beheld very muddy roads indeed. And are there not muddy roads in Quebec and in every other province in the Dominion just as there are in Nova Scotia? Surely it is nothing out of the way to see muddy roads in the outskirts of any town especially at this time of year. Indeed, we have a clause in the Road Act in Nova Scotia prohibiting the running of automobiles at this time of year, the reason being I suppose that owing to weather conditions the roads are too muddy. Yet the hon. member tried to impress upon the House the other evening the awful condition in which she found the roads in that Nova Scotian town.

Mr. WOODSWORTH: Has the hon. member read the reports which during the last four years have been presented by boards of conciliation and by royal commissions with regard to the insanitary conditions in the mining towns?

Mr. DUFF: I have read some of the reports. But who is to blame for those conditions?

Mr. IRVINE: You.

Mr. DUFF: I? No, not I, but the Labour mayor of the town of Glace Bay, just as the Labour mayor is to blame in the town of

New Waterford and the Labour mayor in other towns of that section. But I do not say that the conditions are worse in those sections than they are elsewhere as regards sewerage and other things of that kind. I think the hon. member had better learn something about the conditions that prevail in Nova Scotia. Is he aware of the fact that the British Empire Steel Corporation is assessed 70 per cent of the whole total assessment of Glace Bay, 60 per cent of the assessment of New Waterford, and 65 per cent on the average of all municipalities in which they have property?

Mr. WOODSWORTH: Is the hon. member aware that these figures have been definitely denied by officials?

Mr. DUFF: They have not been denied by any reputable officials, and it is a very simple matter to prove conclusively, as anyone with common sense can, that in a mining town, where the mining operators have large property, the fact must be as I have stated in this case. There can be no other conclusion, as everyone who knows the situation will agree. I say without fear of successful contradiction that if the Labour mayor of the town of Glace Bay, who is the local member representing labour in the province of Nova Scotia, had any spunk or courage, instead of using this situation for propaganda purposes—and that is all it is done for—he would have called a special session of the city council to remedy the present situation.

Miss MACPHAIL: Does the hon. member know that the mayor of Glace Bay did do that very thing and that the sum of $5,000 was voted for relief? Does he know further that they had to pledge everything they had even at that?

Mr. DUFF: There is more in regard to the province of Nova Scotia that the hon. member should have learned before coming back and trying to slander that province. Let her get some more information first. She suggests now that the mayor and council of Glace Bay raised all the money they could when they voted only $5,000. If my hon. friend would look at chapter 70 of the revised statutes of Nova Scotia she would see that the town of Glace Bay, or any other town in the province for that matter, can without any special legislation borrow one half of one per cent of the total assessed value of the town.

Mr. IRVINE: How much have they already borrowed?

[Mr. Duff.]

Mr. DUFF: I mean for purposes of this kind. In any such case any city, town or municipality in the province of Nova Scotia can go to the bank and borrow one half of one per cent of its total assessment; and the total assessment of Glace Bay would be in the vicinity of $3,500,000. Yet my hon. friend who interrupts me suggests that the mayor of that town did his full duty when he called a session of the council and voted $5,000 for the relief of four or five thousand suffering people—a dollar apiece.

Mr. HANSON: In view of the hon. gentleman's strictures on the member for Southeast Grey (Miss Macphail) in this regard, I would ask him whether he does not think that the company, as the landlord of these miner tenants, also has some responsibility for the sanitary conditions in the town?

Mr. DUFF: They are responsible for the sanitary conditions in the tenements which they own, but they have no right to install any system of sewerage in the town, to provide electric lights, or to do anything of that kind. Those things are under the control of the town and there is no reason why the company should look after them.

Mr. WOODSWORTH: Does the hon. member know that throughout the years the company has largely dominated the municipal councils?

Mr. DUFF: I regret that my hon. friend has been so gullible; certainly he does not know anything about the conditions that obtain down there. The hon. gentleman gets up on the floor of the House whenever he has an opportunity to say something about Nova Scotia, and it seems to me that before he does that he might give the conditions of the province some study. Why should any hon. member go to a truant officer in the town, as the hon. member for Southeast Grey did on this occasion, instead of consulting responsible citizens with a view to ascertaining the facts as they are? Let me say that the company has never dominated civic conditions in any districts in which it operates. But there is a Labour mayor and there is a Labour council in Glace Bay as there are in New Waterford and in all the other places where the labourers predominate, and the company certainly does not control affairs there. Now, I admit that the company has its faults and I shall refer to that aspect of the question later on; I am not here to take sides.

Mr. IRVINE: May I ask a question?

Mr. DUFF: I want to get through at six o'clock.

Mr. IRVINE: The hon. gentleman has taken exception to the report made by the hon. member for Southeast Grey (Miss Macphail). I wonder if he would be prepared to make at Glace Bay the speech which he is now making in this House?

Mr. DUFF: Mr. Speaker, anybody who knows me knows that I would make a speech anywhere. To use the picturesque language of the hon. member for Southeast Grey last night, I would not care a damn where it was.

Miss MACPHAIL: I never said that last night.

Mr. DUFF: Mr. Speaker, she used similar language.

Mr. SPEAKER: Order.

Mr. DUFF: I will withdraw the remark, Mr. Speaker; it is not parliamentary.

Mr. SPEAKER: Thank you.

Mr. DUFF: It was not parliamentary, but it was "snappy," to use the word of the hon. member for Southeast Grey. Now, Sir, I do not ask the Labour group in this House to take my word for conditions in Cape Breton. Let me read something which has been said by a very prominent lady in Toronto. She has close associations with the mining district and goes down there every year to spend the summer. Here is what she says:

> Aroused by the letter appearing in Saturday's Globe from Miss Agnes Macphail, M.P., relative to conditions in the mining areas of Nova Scotia, Mrs. Florence Fraser, Tyndall Avenue, a resident of Sydney for a number of years, who spends each summer with relatives in Nova Scotia, declared yesterday that she could "show Miss Macphail conditions much different from those described in her story." Mrs. Fraser insisted that the reading public was obtaining highly colored stories, favorable to the miners.
>
> "From what I read, Miss Macphail is not thoroughly conversant with the conditions under which miners are living in Nova Scotia," said Mrs. Fraser. "There are houses built by the company, containing seven rooms, with hot and cold water, electric lights, and a garage with every second one. These are not described to the people of Toronto, nor is it told to them that the rental is from $5 to $7 a month. Neither are they told that numbers of miners own their own automobiles.
>
> "There is another matter," continued Mrs. Fraser. "The miners are not forced to deal in the company's stores. There is a fine co-operative store there, as well as other retail stores. There is no difference in prices as between the company's and the retail stores. If anything, they are lower in the company stores."
>
> Mrs. Fraser said the shacks referred to by Miss Macphail were never intended for families. They were built, she said, for transient labor from Newfoundland.

So I think Mrs. Fraser, who, I presume, is a responsible citizen of Toronto—she does not hesitate to give her name—should be listened to by the people of this country just as much as should the hon. member for Southeast Grey, who in my opinion came back with a prejudiced story because she was guided around Glace Bay by the Labour mayor and the truant officer.

Now, Sir, in her peroration the hon. member was not satisfied with discussing conditions in Glace Bay, she must have a crack at the provincial government. She said that that government was not doing its duty in this matter and was, to use her own choice language, afraid of Besco. I cannot see why anybody who wants the votes of the people of Nova Scotia should be afraid of Besco. I cannot see why the government of Nova Scotia, whether Liberal or Tory, should not stand in with the miners in this district in preference to standing in with the company, and for this reason: The situation in Cape Breton not only affects the immediate district, it affects the whole province, and if the hon. premier, Mr. Armstrong, does not do what is right and proper in trying to settle the strike, and use his best efforts in the premises to improve conditions in Cape Breton, not only the people there but the people in every other constituency will certainly have something to say to him when he appeals to the province in June. So I would say that Hon. Mr. Armstrong and his government and the legislature certainly have more interest in this matter than has either the hon. member for Centre Winnipeg (Mr. Woodsworth) or the hon. member for Southeast Grey. Premier Armstrong lives in Nova Scotia, he has everything at stake; and when the hon. member for Southeast Grey states that he and his government are not doing their duty, it seems to me that it requires a good deal of assurance on her part.

But, Sir, it has been contended that this government and the provincial government should come to the relief of the distressed people in the mining districts of Nova Scotia. Let us see whether they should take action. I understand that legislation with regard to looking after the poor is different in some of the other provinces to what it is in Nova Scotia. In our province, where we have as good legislation, and perhaps in some cases more advanced legislation than, in some of the other provinces, there is a statute dealing specifically with poor relief. Chapter 50 of the revised statutes of Nova Scotia distinctly sets out that poor relief must be paid through the organization created either by the city council, the town council or the municipal council for the locality; the province has

absolutely nothing to do with it. Each city, town or municipality must provide its own relief, and the act sets forth how this should be done. At the sitting of the town or city council every year a poor committee is appointed from the members. They have full power to deal with any and all cases of distress which come to their knowledge, and have power to assess the municipality to cover the cost. As I said a moment ago, the British Empire Steel Corporation are assessed about seventy per cent of the total assessment in the mining districts in which they have their mines. Now, if this gentleman, the mayor of Glace Bay, was so anxious to alleviate this horrible suffering, as detailed and retailed by the member for Southeast Grey, all he had to do was to call a special meeting of the city council, pass a vote for the money required from time to time, put that money in the hands of the poor committee of the municipality, and see that it was expended. Because, as you will observe, Mr. Speaker, after all, this horrible Besco would pay about seventy per cent of the cost, and about two-thirds of the remaining thirty per cent would be paid by the citizens of Glace Bay, the professional and commercial men and others who are not miners and do not want relief, and the miners themselves would pay only ten per cent of the total amount required. And yet the friend of the hon. member for Southeast Grey sits down and does nothing except vote $5,000. A wonderful man he is to relieve the situation in the city of Glace Bay! All he has to do if he thinks this combination, this B-e-s-c-o, is such a horrible thing, is to go out and make it pay seventy cents of every dollar he wants for the poor and hungry in Glace Bay and the surrounding district. If that is the fact, then until that is done why should the provincial government interfere, or why should my good friend the junior member for Halifax (Mr. Black) get up every once in a while in the House and ask the government as to the situation in regard to the coal strike in Nova Scotia? I am sure my hon. friend, who is possessed of a great deal of this world's goods, has done his full duty by the poor and suffering of his province. While I have not seen his name in either the Halifax or the Ottawa papers indicating that a large subscription had been made either by himself or the bank which has done business with these miners in Nova Scotia and of which he is a director, I am sure the hon. junior member for Halifax has done his full duty. And if he has done his full duty, there may be an excuse for his asking the government why they do not do something. The hon. member is evidently very much interested in the strikers and their dependents in Cape Breton. He is perhaps the best known shipping man in the Maritime provinces, and he has always had a fine business. I remember —and I am not very old—a longshoremen's strike in the city of Halifax. As hon. gentlemen know, longshoremen are hired to load and unload steamers and vessels and handle freight on the wharves. On the occasion of this strike, of course the loading and the unloading of the cargoes of vessels which came to the wharf of the hon. junior member for Halifax were affected. While my memory, perhaps, has become a little defective, I can remember that the hon. junior member for Halifax showed no great desire at that time either to settle the strike or to look after the wives and children of the men out on strike. Yet he gets up in his place now and day after day asks the Prime Minister (Mr. Mackenzie King) and the Minister of National Defence (Mr. Macdonald)—I presume because he is the cabinet minister from Nova Scotia—what is being done with regard to these poor women and children in Cape Breton.

Mr. HANSON: May I ask the hon. member if the positions in connection with these two strikes are at all comparable?

Mr. DUFF: It is only a matter of degree.

Mr. HANSON: Not at all.

Mr. DUFF: It is only a matter of degree. If fifty women and children were affected by the longshoremen's strike in Halifax and 20,000 are affected by the strike in Cape Breton, what is the difference so far as the position I have stated is concerned?

Now, what I say is this: The hon. member for Southeast Grey was good enough to say that the mayor of Glace Bay and the council there had voted the sum of $5,000; and I also noticed in the press this morning that this gentleman, who was a member of the local legislature, had hied himself to Halifax and asked for a special act to vote $5,000 for teachers' salaries,—you will remember that the hon. member for Southeast Grey told us last night that there was danger of the schools being closed because there was no money to pay salaries. Again I say she is not acquainted with Nova Scotia legislation. Anybody who knows anything about Nova Scotia legislation —and a school teacher, above all, should study legislation with regard to schools in

other provinces as well as her own—should know that the school legislation in Nova Scotia provides that certain moneys shall be voted each year for the upkeep of the schools. For instance, in the town of Glace Bay some time in February the council meets; they go over their requirements, and when they come to the question of schools they call in the school board, which is a separate organization from the city council, and they ask the school board how much money they require for the year. The school board tell them what money they require and the council put that amount in the estimates. I simply wish to make this point to show that somebody—now, I almost made a break that time—that somebody unquestionably fooled the member for Southeast Grey, because this money which was voted in February for the upkeep of schools provides for the upkeep of the schools, the payment of teachers' salaries, fuel, janitor and everything else, from the beginning of the school year in September until the next June. And she says this because the truant officer, in whose charge she was, or the mayor of Glace Bay, told her that there was no money to pay the school teachers.

Mr. IRVINE: Did my hon. friend notice a report in the press this morning that the council of Glace Bay had just voted another $5,000 with which to pay school teachers this month?

Mr. DUFF: No I did not, but I am glad to hear it. Instead of voting another $5,000 they should vote $50,000 if necessary, because this poor Besco, this terrible organization, have to pay seventy per cent of it, and I shall be glad to see them pay it rather than that the women and children of Glace Bay should suffer. They ought to pay it because they are as much to blame for this strike, perhaps, as the miners are. I have no sympathy with Besco. All I want to do is to protect the good name of Nova Scotia and to see that no outsiders come in to interfere with us. Until such times as the town of Glace Bay does its duty by these women and children; until such time as the municipality does its duty by them; until such time as the province comes to their relief, it is not for anyone to get up on the floor of this House and ask for money or subscriptions from anybody.

Mr. IRVINE: How can my hon. friend protect the good name of Nova Scotia by casting aspersions on one of its chief citizens?

Mr. DUFF: Who is that?

Mr. IRVINE: The mayor of Glace Bay.

Mr. DUFF: I did not know that he was one of its chief citizens. Anyone who will deliberately, for his own political purposes, allow women and children to starve, is no good citizen of this country.

Mr. WOODSWORTH: May I ask what about the vice-president of Besco, who said that the people could not stand the gaff; that they had to come to the company?

Mr. DUFF: I want to say that if I was on the directorate of Besco I would have kicked Mr. McLurg out of Cape Breton the minute he said that. He had no right to say it, and we will never have proper conditions until men like McLurg are kicked out of the company. But I say that is no reason why the hon. member for Southeast Grey should have made the reference she did last night to the three directors of the company who are members of the Senate and good citizens of this country. Let them clean up the mess; let them send McLurg about his business. He is not fit to have charge of anybody; I would not have him in charge of a henyard, let alone 12,000 miners in the county of Cape Breton. I have no sympathy with McLurg, not half as much, perhaps, as the hon. member for Centre Winnipeg has. Let him get out; let them put him out; the quicker the shareholders of the British Empire Steel Corporation get together and reorganize, the quicker we shall have industrial peace in Nova Scotia. All I am trying to do is to show that there is no necessity for all this political propaganda. It is not necessary for the hon. junior member for Halifax to come here and blow off every day about conditions in Cape Breton when there are fifteen other members from Nova Scotia in this House who are just as good men as he is and who have the interests of Nova Scotia and Cape Breton at heart. We are looking after this situation, and I for one will not stand for it.

Mr. WOODSWORTH: May I suggest that in this House we are all Canadians. Might I ask—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. WOODSWORTH: May I ask if as a Canadian I have not the right to protect the interests of other Canadians?

Mr. SPEAKER: Is the hon. member rising to a point of order?

Mr. DUFF: No, it is just a stray remark.

Mr. WOODSWORTH: I am asking a question, if I may, of the hon. member who has the floor.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member may ask it with the permission of the hon. member who has the floor.

Mr. DUFF: There is no question about it, Mr. Speaker, that this is a free country and the hon. member for Centre Winnipeg has the right to get up, if he wants to, and talk about conditions in Ottawa or Prescott or L'Orignal or any place back in the woods. He can talk about anything he wants to. But the member for Prescott, (Mr. Binette), who represents in this House the people of that district, has the right to object to my hon. friend's interfering with anything concerning that constituency. That is what we resent in Nova Scotia. We feel just as keenly about this matter or more so than does the hon. member for Centre Winnipeg. What I say is that we are looking after this matter. Of course the hon. member for Centre Winnipeg comes here and says he represents labour. Who told him that he represented labour, except the labourers in the constituency which he represents? I represent as many labourers as he does, and if they earned the wages that some of the miners in Cape Breton earned they would have ten or twenty thousand dollars in the bank and homes of their own. I have fishermen and lumbermen in my county who work only six months in the year, yet who own their own homes, have money in the bank and are comfortable. So I say it is all nonsense to talk about Besco being wholly to blame for the present condition of affairs, because the miners are to some extent to blame for it themselves. The hon. member for Southeast Grey said last night that these people could not get out of Glace Bay and Sydney. Does she know that 50 per cent of the miners in Cape Breton are unmarried, bachelors? I am surprised that she did not stay down there. She tried to say that these people could not get away from Cape Breton. If anybody else in this country gets out of work, be he a lumberman, a fisherman or anything else, whether he lives in Alberta or any other part of the country, he soon hunts for work somewhere else. Let me also tell the hon. member for Centre Winnipeg that these young bachelors earned anywhere from $90 to $100 in one single week in the month of February. This condition spoken of by the member for Southeast Grey does not exist all over the coal mining area, but in some of the coal mines they worked 234 days last year. Now working 234 days in a year, at wages of from $3.50 to $6 a day, it seems to me they should not be in the condition in which they were represented to be by the hon. member for Southeast Grey and the hon. member for Centre Winnipeg.

Miss MACPHAIL: Does the hon. member not know very well that these are not the people who are asking for relief? Some of the miners draw big pay, it is true. They are not on the relief lists at the different stations.

Mr. DUFF: My hon. friend perhaps was not here when I said there were twenty families the heads of which had $5,000 in the Royal Bank in Glace Bay, who were lined up every day at the soup kitchens and the relief stations.

Miss MACPHAIL: I doubt it very much.

Mr. DUFF: Of course you do. You were in the charge of the truant officer when you were there. You were in bad company when you were with the mayor of Glace Bay, who for political purposes—

Mr. SPEAKER: Order. The hon. member must address the Chair.

Mr. DUFF: Mr. Speaker, we have another lady who is very much worked up about the distress in Cape Breton, a lady by the name of Mrs. Charles Archibald. I think she is vice-president of the Tory organization in the city of Halifax, and this Mrs. Archibald has been worked up into a great state over the things Premier Armstrong and his government are not doing for these poor distressed people in Cape Breton. This lady is the wife of a gentleman who was manager of a mine in Cape Breton some few years ago known as Port Morien, and now Cow Bay. This Mr. Archibald closed down this mine in the winter of 1894, although the poor miners pleaded with him to keep it open until spring. He closed it down and from seven to eight hundred miners were thrown on the street, and now, of course, Mrs. Archibald, when she has no responsibility, can come along and say: Mr. Armstrong, you and your government must come to the relief of these poor people.

Miss MACPHAIL: I want to ask the hon. gentleman if he is aware that ten thousand people are being fed from Glace Bay proper every day, that ten thousand people are getting their rations three times a week from the relief station there.

Mr. DUFF: More shame for the mayor of Glace Bay when the British Empire Steel Corporation are assessed 70 per cent, and he could raise the money to feed these people in their homes. Then they would not have to go to relief kitchens or anywhere else.

Mr. Speaker, there is perhaps nothing else I can add. There is no question that it is a serious situation that exists in Cape Breton. My only purpose in rising was to protect the good name of Nova Scotia. As far as the coal situation in Cape Breton is concerned, I am not prejudiced in any way. I have no coal mines in my district, but we are vitally interested in the progress of Cape Breton and in the other counties west, to which we sell a great deal of goods. In addition to that, we benefit from the royalties which the provincial government collects from the mines in Cape Breton, and Cumberland and other places. There is no distress around the mining districts of Pictou and Cumberland. There are poor people there, due to the strike, of course, but the difference between the mayor of Glace Bay and the mayor of New Waterford, and the mayors of Trenton, Stellarton, Westville, New Glasgow and other places, is that they have a proper love of humanity in their hearts, and they are not trying to get elected at the next election.

Mr. WOODSWORTH: Might I ask if the hon. gentleman has not read the appeal that has come from Springhill in the last day or two?

Mr. DUFF: It is quite possible that somebody in Springhill may be sending in an appeal, like they do in Glace Bay, somebody who is not responsible and has no business to do it. But I say the people of Springhill and these districts can look after their own poor. As I say, Mr. Speaker, I am not at all prejudiced. My only interest in discussing this matter is to see that the good name of Nova Scotia is upheld, and until such time as every resource has been exhausted in these cities and towns, which can be assessed for the purpose of looking after these poor people, I say there is no need to appeal to this government or to the provincial government. If the mayor and council of Glace Bay should come to this parliament or to the provincial legislature and say: We have exhausted our resources, we have raised every cent we could to look after our poor;—then I say it is time, after the United Mine Workers have sent back the two and a half million dollars, for anybody in this House or in the provincial legislature to say that this government or the provincial government should vote any sum for the relief of this state of affairs in the county of Cape Breton.

On motion of Mr. Manion the debate was adjourned.

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

Thursday, April 2, 1925

The House met at three o'clock.

REPORT

Hon. E. M. MACDONALD (Minister of National Defence): Under the provisions of section 47, chapter 43, 9-10 Edward VII, I beg to lay on the table order in council relating to the pay of officers when employed in swinging ships.

PUBLIC ACCOUNTS COMMITTEE

Mr. HANCE J. LOGAN (Cumberland) presented the first report of the committee on Public Accounts as follows:

Your committee recommend that the quorum of this committee be reduced from twenty-one to eleven.

He said: I beg to move:

That the first report of the select standing committee on Public Accounts be concurred in.

Mr. STEVENS: What is the effect of this report?

Mr. LOGAN: The report has already been read. The effect is to reduce the quorum from twenty-one to eleven. The difficulty of securing a quorum in committees of this House has become almost a scandal. Last year we called this committee four times in succession, but were not able to secure the quorum of twenty-one. This year we have had the same experience, and this morning we had to wait nearly an hour to secure a quorum. We were able to secure it only after sending to all parts of the building and trying to get members out of other committees. In order to carry on the work of this committee, it has been found necessary to have the quorum reduced, and I think eleven will be quite sufficient.

Motion agreed to.

RURAL CREDITS

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Battle River (Mr. Spencer) the other day asked a question as to whether the government had received a copy of a resolution passed by the Alberta legislature relative to a federal farm loan scheme. I have not the memorandum

here, but I have looked into the matter, and as far as I can find out no such resolution has been received by any department.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

OCEAN SHIPPING RATES

Mr. DOUCET:

1. What was the amount paid by the government in connection with the investigation and report made by Sir Henry Drayton in regard to the North Atlantic Steamship Conference and ocean rates?
2. What is the amount already paid and payable to Mr. W. T. R. Preston in connection with his investigation and report with the said matters?

Hon. Mr. COPP:

1. Sir Henry Drayton was carried on the pay-list of the Board of Railway Commissioners for the period from July 31, 1913, to September 21, 1913, when he was employed on the ocean rates inquiry, and he was paid during the inquiry his regular salary rate as Chief Commissioner, namely $12,500 per annum, and $1,074, expenses.

2. Expended to January 21, 1925, Mr. W. T. R. Preston, Travel, $864.85; Remuneration (February 28 to June 1, 1924, 94 days less 7=87 days at $15), $1,305; Living allowance (February 28 to October 24, 1924, 239 days at $10, $2,390; Sundries, $310.23; Total, $4,870.08.

Accounts on hand, pending supplementary vote: Travel, $208.68; Remuneration (June 2, 1924 to January 23, 1925, 236 days less 32= 204 days at $15), $3,060; Living allowance (October 25, 1924 to January 23, 1925, 91 days less 18=73 days at $10), $730; Stenographic services, $216; Sundries, $17.77; Total, $4,232.45, and for such additional time as he may be actually engaged in the work of the ocean freight rate inquiry.

PELAGIC SEALING TREATY

Mr. NEILL:

1. When does the Pelagic Sealing Treaty expire?
2. Is it the intention of the government to renew it?

Hon. Mr. CARDIN:

1. The treaty is to continue in force for fifteen years from December 15, 1911, and thereafter until terminated by twelve months' notice in writing given by one of the parties to all of the others, which notice may be given at the expiration of fourteen years or at any time afterwards.

2. The matter will receive consideration.

[Mr. Mackenzie King.]

QUEBEC HARBOUR COMMISSION

Hon. Mr. STEVENS:

1. Having reference to reply to questions on Hansard, page 1317, March 24, stating that Quebec Board of Harbour Commissioners had not overdrawn its appropriations, how does the government account for an item of $11,881,350.58 appearing on page 11 of the Public Accounts, 1924, schedule L, and shown among miscellaneous investment (non-active) in the balance sheet for March 31, 1924, page 2 of the said Public Accounts?
2. Is the said sum of $11,881,350.58 in excess of, and to be added to a further sum of $8,426,800 shown in the said answer on page 1317 of Hansard, as having been advanced to Harbour Commissioners for harbour improvements, and on which no interest has been paid?
3. Do the above items, added together, represent the amount advanced for Quebec harbour improvements?
4. Has any interest been paid on the said amount, if so, how much?
5. Has any report been made by the Board of Audit, or by J. W. Tribble?

Hon. Mr. COPP:

1. The item of $11,881,350.58 referred to as taken from the Public Accounts 1924, Schedule L, is the total amount charged to the Quebec Harbour Commissioners for expenditure on improvements to the harbour of Quebec at March 31, 1924. $4,154,195.68 of this amount is old expenditure paid through other departments and charged against the harbour commissioners. This expenditure was authorized by various statutes passed previous to the reorganization of the harbour commission on its present basis in 1912, while the balance of $7,727,154.90 was expended under the authority of acts passed since 1912, which authorize a total for advance to the commissioners to date, of $8,500,000; of which amount at March 31, 1924, there remained available the sum of $772,845.10, and the Harbour Commission of Quebec could not have been considered to have overdrawn its appropriation, as provided for by parliament, until this amount had been exceeded.

2. No. The sum of $8,426,800 represents the amount advanced to the commissioners out of the total authorized by the acts passed since 1912, above referred to.

3. No. The amount stated on page 11 of Public Accounts represented the total advanced to the Quebec Harbour Commissioners for harbour improvements at that date. The total amount advanced to date amounts to $12,439,195.68, of which $8,426,800 has been advanced out of the total of $8,500,000 authorized for advance since 1912.

4. Advances were made to the Quebec Harbour Commissioners between the fiscal years 1873-4 to 1909-10 amounting to $4,156,-550.58. Interest on these advances was paid between the years 1873 to 1891 to the amount of $1,068,458.49. From 1892 to 1898 pay-

ments were not made on account of interest but interest was charged in the books to the amount of $1,305,315.01. This amount was written off by the authority of parliament in the revision of the balance sheet in 1908. Interest accrued and outstanding on the 31st March, 1925, on the $4,156,550.58 amounted to $5,640,463.68.

New advances were authorized and commenced in 1913 and on the 31st March, 1925, amounted to $8,426,800 which added to the amount advanced prior to 1909-10 namely $4,156,550.58 would account for a balance of $12,583,350.58 which will appear in the balance sheet, March 31st, 1925. No interest has been received on the new advances which on January 1st, 1925, amounted to $2,437,498.87.

5. A report has been made by the Board of Audit.

CUSTOMS—ANTI-DUMPING CLAUSES

Mr. McTAGGART:

1. How many times were the provisions of the anti-dumping clauses of the Customs Tariff Act applied in the years 1922, 1923 and 1924?

2. What was the total amount of customs duty collected in the years 1922, 1923 and 1924 as a result of the application of the anti-dumping clauses of the Customs Tariff Act?

Hon. Mr. CARDIN:

1. Number of entries on which dumping duty was collected: Fiscal year 1922. Information not available; fiscal year 1923, 2,523; fiscal year 1924, 2,365.

2. Amount of dumping duty collected: Fiscal year 1922, $126,285.95; fiscal year 1923, $98,557.98; fiscal year 1924, $131,960.11.

SUPERVISOR OF GOVERNMENT PUBLICATIONS

Mr. DOUCET:

1. Is the position of supervisor of government publications, occupied by Mr. Fred Cook, under the jurisdiction of the Civil Service Commission?

2. When was the position created and how was the incumbent appointed?

3. What is the salary range of said position provided by the classification, and by whom was it set?

4. What compensation does Mr. Cook now receive annually?

5. Have the duties of the position been materially changed since it was created?

6. Is the further sum of $500 for payment to Mr. Cook included in the estimates for the fiscal year 1925-26?

7. If so, will it in future be the policy of the government to recommend to parliament the payment of any additional salary demanded by an employee dissatisfied with the compensation of his position as fixed by the Civil Service Commission?

Hon. Mr. MURDOCK:

As respects the Department of Public Printing and Stationery:

1. Yes.

2. a. February 15, 1924, by order in council No. P.C. 67/271. b. August 17, 1923, by order in council No. P.C. 1631.

3. a. $3,900, $4,200, $4,500 per annum. b. Civil Service Commission.

4. $4,500.

5. No.

6. Yes.

7. The further sum of $500 in the estimates for 1925-26, is compensation to cover duties as secretary to the Government Printing and Stationery committee, which were not included in the classification made by the Civil Service Commission; the future policy of the government is in no way involved.

SOLDIER SETTLEMENT LANDS

On the Orders of the Day:

Mr. ROBERT GARDINER (Medicine Hat): May I inquire from the Acting Minister of Finance when the House may expect legislation dealing with revaluation of soldier settlers' lands?

Hon. J. A. ROBB (Acting Minister of Finance): I do not think I have any further information to give than that given a few days ago. The matter is now under consideration.

BLUE SKY LEGISLATION

On the Orders of the Day:

Mr. JOS. T. SHAW (West Calgary): In view of the decision about a year ago by the Supreme Court of Canada to the effect that a federally incorporated company is under no obligation to comply with provincial legislation, and particularly with that legislation known as "blue sky" legislation passed by the various provinces, and in view of the fact that many companies are taking advantage of the situation to unload upon the public worthless stock, I should like to know from the Secretary of State if he intends to bring down any legislation this session for the purpose of remedying that situation.

Hon. A. B. COPP (Secretary of State): Information has not come to the department that any great number of companies have been unloading worthless stock upon the people generally throughout Canada. The matter is now being investigated, and if it is found necessary to bring down legislation along the line suggested by my hon. friend, it will be brought down this session.

Mr. SHAW: Does the minister require any instances where the public have been defrauded?

Mr. COPP: I will be very glad if the hon. member can give us any instances.

THE BUDGET

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

The House resumed from Wednesday, April 1, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Hon. R. J. MANION (Fort William and Rainy River): I have listened with a great deal of interest to the discussion which has thus far taken place on the budget, and while I do not intend to review the debate, I should like to take a few moments to deal very briefly with some of the remarks made by speakers who have preceded me.

The hon. member for Lunenburg (Mr. Duff) made, I thought, a rather severe attack upon the hon. member for Southeast Grey (Miss Macphail), due to the fact that she had gone down to Cape Breton and investigated the conditions there in what I thought was a spirit of humanity. I do not think that the hon. member for Lunenburg did himself quite justice, and I do not think he did quite justice to the hon. member for Southeast Grey, in the rather severe attack which he made upon her last night. It is true of course that in this country, as in every other country there are people who are poor. Two thousand years ago the greatest teacher, the world has ever had said: "The poor ye have always with you," and unfortunately it is a blot upon our so-called civilization that this condition exists to-day very much to the same extent as it existed two thousand years ago. At the same time, looking at the question down there from the standpoint of the ordinary observer, or the standpoint of the ordinary reader of the newspapers—or, indeed, the ordinary reader of the debates of this House—and without in any way desiring to take part in the controversy, I do believe that conditions are anything but desirable, and I feel that the sympathy of this House goes out to that section of the country which seems to be labouring under very depressing conditions to say the least. I will go further and say that it would appear to me that it might be wise on the part of this government to make a more thorough investigation than has yet been made of these conditions, with a view to seeing if we should not perhaps give such help to the people in that section of the country in their afflictions as we might give, under difficult circumstances, to the people of such a country as Japan or perhaps the Fiji Islands, if an earthquake or other disaster had come upon them.

My hon. friend from Lunenburg made a remark in regard to the tariff with which I have no quarrel, in which he praised the government for putting a tariff on slack coal. He said—and he will correct me if I am wrong—that he was a low-tariff man, but he complimented them on the fact that they had raised the tariff on slack coal. My hon. friend from Comox-Alberni (Mr. Neill) in his speech, telling that fish story from British Columbia, which takes at least three hours, has on other occasions taken, I think, very much the same attitude as my hon. friend from Lunenburg. He states that he is also a low-tariff man, but when it comes down to tariff protection on certain products which come from his constituency, he believes in a tariff.

Mr. DUFF: There is no coal in my constituency.

Mr. MANION: There is coal in my hon. friend's province.

Mr. DUFF: Yes, in the province.

Mr. MANION: The point that I am trying to make is that very often our cries for low tariff are more or less sectional. In other words, those who feel that they require a tariff for their own section of the country believe in a tariff, and I submit what I have already stated on other occasions, that if wheat remained at the price it has been selling for the last two months, $1.50 or $1.75, as I hope it will, in order to give the people of the prairie provinces a just return for the labour and investment, we would hear very much less tariff discussion in this House and out of it than we have heard in the past, just as in the past few weeks we have heard very little tariff discussion from my hon. friends to my left.

The hon. Minister of the Interior (Mr. Stewart, Argenteuil) a gentleman for whom we all have the utmost friendship, rose in this House as a defender, perhaps I should also say a pretender, regarding the budget we have been discussing. The hon. minister, with that kindly, honest, frank face, fairly oozes respectability, and I have noticed the more disreputable a case the government has to put forward the more sure they are to call upon my honest-appearing friend to come forth and defend it. As I listened to him defending so eloquently—which he certainly did in a very able manner—the budget which has been presented, it made me think of an incident which

occurred in the life of Sir John A. Macdonald. He had in his cabinet the Hon. John Carling, who had a face almost as honest as that of the Minister of the Interior, and one day, after some particular action of Hon. John Carling, Sir John A. Macdonald studied his face for some little time and said to one of his friends, or I think it was to Hon. John Carling himself, "I have come to the conclusion that the good Lord never made a man as honest as you look." As I listened to my good friend the Minister of the Interior defending this farcical budget the other day, I felt the House might well come to the same conclusion regarding him.

He also spoke of what he believes on the tariff question. He did not listen to the chimes he rang last year, but he did say that he believed in a lower tariff; in fact he believed in a tariff for revenue only. I think I am not misquoting him when I say that. The expression "tariff for revenue only" is used to my mind in a false sense, because a tariff for revenue only is a free trade tariff. There is no such thing as a "tariff for revenue only" being a protective tariff. England has a tariff for revenue only by which she brings into the coffers of her finance department something like $600,000,000 per annum on commodities which she does not produce in her own domain; in other words, five-sixths of the money brought into the coffers of England by tariff duties are raised upon sugar, tea and tobacco, three substances which England does not produce within her own shores. So that is a tariff for revenue only, and if Canada had a tariff for revenue only she would have free trade, because so long as you put on a tariff which protects at all you are putting on a protective tariff to the extent that it protects.

I wish to touch one other remark of the hon. Minister of the Interior, and then I shall proceed with my discussion of the budget. The hon. minister pointed out—and drew my attention to it at the moment—that Sir Henry Thornton had made a statement that in Northern Ontario a number of new industries had started up recently employing a lot of men. I venture to say that, without knowing the facts, that most of those industries are pulp and paper industries, not affected by the tariff at all. But at any rate I wish to point out particularly to my hon. friend that the day after he made his speech I noticed in the morning papers of this city an article stating that there was a disturbance in Sudbury, due to the many unemployed starting a parade of their own.

Dealing with the budget from the standpoint of the ordinary observer, I submit that this budget, in which there is a complete absence of any remedies for our present discontents, is like a train of fifteen cars carrying one passenger. It is a sort of peculiar political salad, made up of a strange compound of unconscious humour, misstatements of fact, homeopathic doses of both free trade and protection, and an oily dressing of hopes of better times to come. As to misstatements of fact, I need only draw the attention of the House to the statement in regard to the prosperous conditions prevailing in the Dominion, and more particularly and more emphatically to that fable of a surplus—that fable which my hon. friend the Acting Minister of Finance (Mr. Robb) is talking about ad nauseam, but which should be classed among Aesop's fables.

I intend to deal very briefly with my conception of the so-called surplus which the Acting Minister of Finance has described. My hon. friend from West York (Sir Henry Drayton) has dealt with it from the standpoint of an ex-Minister of Finance, my hon. friend from Vancouver Centre (Mr. Stevens) has dealt with it from the standpoint of a chartered accountant, but I intend to deal with it just from the standpoint of the man in the street reading the budget speech a number of times and trying to figure out where the Acting Minister of Finance gets his surplus. My hon. friend the ex-Minister of Finance (Sir Henry Drayton) has pointed out that in his view instead of hava surplus of $2,000,000 there is actually a deficit of about $100,000,000, and I venture to assert that he is pretty accurate in his analysis. But I intend to deal with this surplus, not on the basis of any figures placed before the House by the Minister of Railways (Mr. Graham) or any of his colleagues, but simply from the standpoint of the figures given by the Acting Minister of Finance himself. I find that on page 1469 of Hansard he estimated the revenue for the fiscal year, accurately enough for his purpose, at $344,000,000, as against an estimated expenditure of $342,000,000, leaving a surplus of $2,000,000. I am giving round figures. Well, Sir, if you look back at the preceding page you will find that the Acting Minister of Finance gives the accounts for the railways and shows loans by way of cash charged to the net debt of the Dominion at something over $18,000,000, and loans by way of government bond issues of $46,000,000, which added together amount to $64,000,000. This converts his surplus of $2,000,000 into a deficit, according to his own figures, of $62,000,000.

That we should charge this railway expenditure not only to our debt but to the ordinary accounts is evident to anyone who would treat these accounts fairly. The hon. member for St. Lawrence-St. George (Mr. Marler) in his speech before the Canadian Club of Montreal recently, reported in one of the Montreal papers, said:

> Our ordinary debt may have decreased in the past few years, but the ordinary debt is not the only one, we have in addition to that the railway debt. Consequently the gross debt of this country is not only the ordinary consolidated debt, but the railway debt, and if one rises then the whole debt is increased, and if one is lessened then the debt can be decreased.

I quote the hon. member because he is a follower of the government and a friend of the Acting Minister of Finance, and yet he agrees that these railway charges should be included in the ordinary debt of the country, and I believe that when we talk of a surplus we have to take into account this railway expenditure.

Mr. EULER: Would the hon. member include in what affects a surplus or deficit the amounts advanced to the National Railways or borrowed by them on capital account?

Mr. MANION: Mr. Speaker, we do that in regard to harbours, canals and other public expenditure on capital, and unless there is some hope of getting back any of the money in the near future, certainly it should be charged to the national debt, and against surplus because the country is responsible for it.

Mr. EULER: If it is for capital account?

Mr. MANION: No matter what it is for. In 1922-3 the Minister of Finance (Mr. Fielding) charged up $80,000,000 advanced to our railways to the national debt according to the Acting Minister of Finance.

Mr. EULER: The hon. gentleman surely distinguishes between adding to the national debt or adding to the surplus or the deficit?

Mr. MANION: Certainly. But the Acting Minister of Finance does not even add the railway bond advances to the debt, and he claims a surplus when in reality there is no surplus at all; in fact there is a deficit of $62,000,000 according to his own figures, though the cash deficit is not so much as that. We are just as responsible to the people for those expenditures upon the National Railways as we are for any other expeditures by the government, particularly in view of the fact that at present no one can expect within any reasonable time in the future that that expenditure will be paid back by the National Railways. It would be very much the same, Mr. Speaker, as if a civil servant of the higher grade in this city, receiving, we will suppose, $10,000 a year, spends $9,000 himself, and his wife and children, for whom he is entirely responsible, have run current accounts for another $5,000, making a total expenditure for his household of $14,000. Would my hon. friend from North Waterloo (Mr. Euler) claim that that gentleman had a surplus at the end of the year?

Mr. EULER: No. But the hon. gentleman says that the whole $14,000 was spent on living. He does not say that anything was spent on purchasing a house or anything of the kind that would be an actual asset.

Mr. MANION: I said that this gentleman himself had spent $9,000, and his wife and children had spent another $5,000, or had run accounts for that sum, for which he is absolutely responsible. Could they claim a surplus?

Mr. EULER: If the hon. gentleman will say what the $9,000 and the $5,000 were expended for I will give him an answer.

Mr. MANION: No matter what it was spent for, it was spent or he became responsible for its payment, and he would not have any surplus that year. I know what my hon. friend has in his mind, that some of that expenditure might have been capital expenditure which would be an asset. All right, he is responsible for it anyway, and being responsible for it he would not have a surplus, especially if he could not dispose of the asset as in our railway case.

Mr. EULER: It might be a liability, but it would not affect his surplus.

Mr. MANION: I submit, Mr. Speaker, that if a gentleman, such as I speak of, has spent or become liable for $14,000 as explained, and then claims that he had a surplus on his $10,000 income, he would be suspected of having delusions of grandeur. I remember reading of an old Greek general who had won a very costly victory saying: "Another such victory will ruin us." I think that if we have many more surpluses such as the surplus that the Acting Minister of Finance has described in his budget speech this country will be ruined. It was Talleyrand who said that language is given us to hide our thoughts. But in Canada budgets are given us to hide our deficits.

But, Sir, that is not the worst, because on page 1469, the Acting Minister of Finance deals with unpaid arrears of interest from Greece and Roumania, $4,000,000, which those countries have asked the Dominion to apply

to the principal owing—and upon which perhaps in the future they intend to pay interest—and he actually adds that $4,000,000 of unpaid arrears to his so-called surplus of $2,000,000, and says he has a surplus of $6,000,000! I think if that statement were read to one of the mummies in the British Museum it would take off its dried wrappings and laugh. What kind of gold brick financing, what kind of political shell game is the Acting Minister of Finance trying to put over on the unsuspecting people of this country? Sir, if you take the old South Sea Bubble, the Home Bank fiasco, and Get-rich-quick Wallingford, and roll them all into one, you would have nothing akin to what my hon. friend has been attempting to tell the people of Canada. I do not think that Get-rich-quick Wallingford, that prince of crooks, even in his palmiest days, attempted to put over such a deal on the people with whom he came into contact. I well remember in my earliest days in the west purchasing stocks in some pretty slick mining projects, but those slick mining deals, Sir, were the highest and soundest kind of financing compared with that which is exemplified in the budget speech of this year.

But that is not all. The Acting Minister of Finance (Mr. Robb) on page 1470 of Hansard, says, referring to the $4,000,000 of unpaid interest due from Greece and Roumania:

> This amount is available to be applied on account of our loans to the Canadian National Railways of $18,027,000, to Canadian Government Merchant Marine—

And so on. Well, sir, I think the Acting Minister of Finance has given us a splendid example of unconscious humour in that statement. There is still another delightful touch on page 1472, where, after telling us that he has quadrupled the duty on slack coal, he says that this change will remove the difficulties in the administration of the act. If he had said, remove the difficulties in multiplication instead of in administration, perhaps he would be nearer the truth, because he has increased the duties, I understand, from fourteen cents to fifty cents. I do not see how a difference in multiplication can make any difference in the administration of the act. Now that the famous Dennistoun case is off the boards, Mr. Speaker, I am going to keep this budget speech for light reading on dull days.

But, Sir, to speak seriously, should we not have the truth in regard to matters of this kind? Should the people of this country be treated like so many children? Should they not be told the facts with regard to their own financing? Should they not know the conditions which really obtain in Canada? Or are we to have a conspiracy of silence, or perhaps what is worse, a tissue of half truths, in dealing with the financial condition of our country? I am reminded of a remark made by Napoleon when he was referring to a German diplomat: He said, "That man lies too much. It is necessary to lie sometimes, but not all the time."

Sir, if you look back over the history of the ages that have gone you will find that many empires have risen, then have declined and fallen, particularly during the fifteenth, sixteenth and seventeenth centuries. That is exemplified by what happened in the case of Spain and Portugal; I mention merely these two for the purposes of the illustration. What was the cause of the decline and fall of these empires which had become very outstanding not only in commercial development and in industry but also in colonial expansion? They declined and fell because they were oppressed with unfair taxation and because they were oppressed with bad government. This Dominion of Canada to-day is to my mind suffering from exactly the same conditions. No one needs to elaborate the argument with regard to high taxation, because I believe that the taxation in Canada to-day is as high at least as the taxation was in any of those countries of which I speak; and so far as the bad government is concerned, that is manifested on every side.

Yet the Prime Minister (Mr. Mackenzie King) in the Speech from the Throne made the statement that the only problem or the outstanding problem before the people to-day, was the cost of living. He apparently sees no problem to be solved in connection with the affairs of this country except the high cost of living. In view of that fact I made it my business to inquire of the Bureau of Statistics as to the cost of living in the past year, and I am going to show how the Prime Minister and his government are solving this problem. The Bureau of Statistics state that the index figures for each month with respect to foods, fuel, lighting and rent from last May to the present time were as follows: May, 144; June, 144.2; July, 144.8; August, 146.7; September, 147.2; October, 147.4; November, 148.4; December, 149; January, 150.3; February, 151.1. Well, Sir, as far as I can see, the problem of the cost of living is being solved by this government in exactly the same way as they are solving every other problem they have had to deal with, and that is by making it worse. All

the conditions of this country have been getting worse and worse year by year since this government came into power.

What are the real problems of the country to-day, and what is the real solution of those problems? To my mind they are four, chiefly: First, we must bring about a condition of less taxation by a proper and economical handling of our affairs. Secondly, we must have a stable tariff policy, providing for a tariff high enough to permit all our industries to continue. Thirdly, we must have an efficient immigration policy, and fourthly, we must have a wise railway policy. I am going to deal with the last two first, that is, the immigration policy and the railway policy.

So far as an efficient immigration policy is concerned, there is no doubt that we need agriculturists in this country to populate and cultivate those millions of acres of fertile land which we have from the Atlantic to the Pacific. But I should like to draw the attention of the government to the fact that we have in various sections of this country besides the prairie provinces millions of acres of land to be developed. There are millions of acres in the Maritime provinces, in Quebec, in northern Ontario and in British Columbia. Take the section of country whence I come, northern Ontario; we have a country there as extensive in area as the British Isles and the German Empire put together, but while they have in the two European countries I have mentioned about a hundred million people, we have in northern Ontario from North Bay to the Manitoba boundary only about a hundred and fifty thousand. We have resources of all kinds; millions of acres of fertile land; we have hundreds of millions of tons of iron ore which some day will make that a great iron producing country. But that section to-day forms a gap between the east and the west, and the government might well spend some of its time populating that country to make traffic for the railways and to bridge that gap between the east and the west instead of sending out to the prairie provinces all the immigrants that come to our shores. At the same time, it is to be remembered that prosperity in our country will in itself bring immigrants here. In 1914, the year before the war, 400,000 immigrants came to Canada—a goodly number indeed; so that the conditions which it is often stated are not brought about by protection were actually being brought about in those years. Before the war we were getting immigrants as rapidly as we could absorb them. At the same time, we all know that we have no room in the cities for more industrial workers, so that we should at least get our industries back into good condition before we permit immigrants to come to the cities and towns.

Mr. WARD: May I ask my hon. friend whether the tariff has been very much reduced since that day?

Mr. MANION: I will deal with that before I finish.

Mr. SPENCER: May I ask the hon. member a question? Does he think for a moment that if immigrants are brought only to the farms, the people can be kept there if they do not want to stay?

Mr. MANION: Oh, I do not suppose there is any slavery system in this country which will keep anybody anywhere that he does not want to stay. But the fact is that we are not keeping our people in the country at all just now; they are going to the United States.

With regard to the matter of railway policy, we have in this country to-day three transcontinental railways where two would have been ample. We have railways sufficient at least for three or four million more people than we have. In other words, we are overbuilt in the matter of railways. What we need is increased population in a fairly prosperous condition. In other words, we need stability in business; we need work and wages for our people; we need prosperity for the different sections of the country. One point that I would like to emphasize is this: we should have less spending by our National Railways. The hon. ex-Minister of Finance (Sir Henry Drayton) put a question on the order paper a few days ago and he received the reply that there was spent upon our National Railways during the past year, added to the new capital account, $118,000,000. That is a vast amount of money, Mr. Speaker, to add to our national accounts, to our national debts, in a sense—national obligations is the better word—in one year. I was thinking over the matter and I made it my business just this morning to look up the Public Accounts. What did I find? In 1900 our whole income, the entire revenue of this country, was only $51,000,000. I take this from the Public Accounts for 1924, page 47. In other words, in 1900 we were taking in less than fifty per cent of the amount which has been added to the account of the National Railways this year. The hon. member for North Waterloo (Mr. Euler) looks surprised, and so was

I surprised when I looked that figure up. But I am going to give some other figures. In 1905 that amount had gone up to $71,000,000 odd; in 1910, it had gone up to $101,000,000. In other words, our total receipts in 1910 were $17,000,000 less than was added to the national debt by the railways in the past year. It was not till 1912, just thirteen years ago, that this country took in receipts from all sources equal to the expenditure for the National railways during the past year. That appears to me a very serious state of affairs, and I think the government might well consider whether there is not some way of lessening such vast expenditures of the people's money as have been going on for the National railways during the past year.

Mr. GOULD: Has the hon. member got the percentage of direct and indirect taxation that was gathered at that time?

Mr. MANION: I have not that information at hand, and I do not see what bearing it has on the argument I am making.

Now I intend to deal with the question of economy, and the question of the tariff. I give these as the other two remedies by which our country could be put back on its feet.

Mr. MARCIL (Bonaventure): What would the hon. member suggest as the remedy for this railway situation?

Mr. MANION: I would suggest, first of all, that we should put our foot down on some of this extravagant expenditure. Beyond that—I know my hon. friend wishes me to give simply my own opinion—I am not ready to go at the present moment.

Mr. RINFRET: What extravagant expenditure does my hon. friend mean?

Mr. MANION: I think the fact is self evident when $118,000,000 is added on capital account for the National railways during the past year. That is an amount that no private corporation would consider spending on additions such as the Canadian National Railways have been making in the present state of its finances.

Mr. RINFRET: That is an argument for private ownership.

Mr. MANION: My hon. friend may possibly use it as an argument for private ownership. I will admit this: I came here eight years ago a public ownership man, but if conditions go on as they are to-day, it will not be very long until I am with him on private ownership.

Mr. LAPOINTE: That will be another conversion.

Mr. MEIGHEN: It will be at least better than public ownership under the present government.

Mr. MANION: I wish the Minister of Justice (Mr. Lapointe) would at least be converted to giving the people of this country good government, which we are not getting at the present time. I do not wish to go into the details of that $118,000,000 of expenditure, nor do I wish to take the attitude of criticizing Sir Henry Thornton, but I do submit that $118,000,000 is too much money to be put into the National railways in any one year when the finances of the National railways are in the condition they are in to-day.

Mr. BEAUBIEN: Does that figure include uncontrollable fixed charges?

Mr. MANION: This $118,000,000 is new expenditure, according to the reply given by the Minister of Railways (Mr. Graham) to the ex-Minister of Finance (Sir Henry Drayton) the other day.

Now I intend to deal with the question of economy, because, Sir, so far as I can see, my good friend the Minister of Justice has no more conception than any other minister in this government of the need of economy in this country—certainly not if we are to judge by the expenditures which are going on under this government. I am going to prove that also by the budget speech of my hon. friend the Acting Minister of Finance. I think I can do it from memory. The Minister of Finance said in his budget speech that the decreased revenue in Canada in the past year was $52,000,000. He said that the decreased expenditure was $5,000,000, or a little less than 10 per cent of the decreased revenue. Now Sir, I wish to point out that private corporations would try to approximate those figures a little more closely than this government has approximated them. In the past year the Canadian Pacific Railway, which no matter what we may think of it as a company, and no matter what we may think of its rates, certainly deserves the respect of the people of this country for the manner in which it does its business, according to their annual report, which I have in my hand, had for the fiscal year ending December 31st last, gross earnings which were $13,334,000 less than the previous year; but their working expenses were $13,083,000 less than the previous year. In other words, while the government in charge of the affairs of this country have decreased their expenditure by

10 per cent of their decreased revenue, the Canadian Pacific Railway have decreased their expenditure by about 96 or 97 per cent of their decreased revenue.

Mr. EULER: May I ask a question; merely for information? My hon. friend made the statement that there had been spent on fresh capital commitments on the National railways for the last year $118,000,000. Can he give me the exact statement?

Mr. MANION: No, because I have not got the railway statement.

Mr. EULER: Can he direct me to the statement made by the Minister of Railways in that connection?

Mr. MANION: The figures I am giving are the figures given by the Minister of Railways to the ex-Minister of Finance, and will be found in Hansard of 16th March, page 1151. The fact is, Mr. Speaker, that that $52,000,000 of decreased revenue, which has been claimed by the Liberals as decreased taxation, is simply and plainly a proof of the business depression in this country; it is simply a proof of the fact that the people of Canada are not in a position to buy the things they used to buy in the past; they are not in a position, for example, to import the luxuries they used to import, and on which they had to pay duty. In my own city of Fort William, there are a number of closed-down plants, and the closing down of at least one or two of them is due to the lack of tariff protection. These plants have certainly not the expenses they had a year ago, but they have no income whatever. If this ministry goes on and brings Canada to the stage where she has no income whatever, where she is in bankruptcy, you will have no income, and then I suppose we shall have reached the stage of perfection because there will be nothing collected in taxes. This government goes gaily on spending on everything that comes to its mind, and cutting down expenses on practically nothing. It would be a hilarious farce if it were not for the fact that it is a tragedy to the people of Canada. Here we have unnecessary expenditure going on on public works, unnecessary general expenditure of all kinds, unnecessary expenditures on the railways such as I have mentioned, unnecessary expenditures on royal commissions. I asked this government over a month ago for a list of the royal commissions that they had appointed since they came into power, and the expenditure on those commissions. Apparently they have been unable to figure up the expenditure yet, because I have not yet received my reply. I did, however, receive a reply as to two of these royal commissions this government have appointed, the pulpwood commission and the grain commission. The pulpwood commission cost $75,000 to the people of Canada, and the grain commission cost the people of this country $170,000. In other words, these two commissions, which gave their reports, have cost the people of Canada a quarter of a million dollars. So what must have been the cost for all the other royal commissions that have been appointed by this government? I venture to assert that there has been a cost of probably well over a million dollars, if not a million and a half, spent on royal commissions appointed by this government since they came into power, and appointed, as an hon. gentleman remarks, to save the government from the responsibility of deciding questions for themselves. As a consequence, we have high taxes and high expenditure in every line of government. We have an income tax four or five times the income tax in the United States in almost every income range, and as a consequence we have this country being pushed fairly rapidly into the arms of the United States. And yet the Prime Minister insists that conditions in Canada are good and getting better, whereas in reality the conditions in Canada are bad and getting worse. It reminds me of a remark made by Lord Rosebery in that very charming story of Napoleon which he told in which he said that "at times it was difficult to know when Napoleon was deluding himself, when he was trying to delude others, and when he was simply talking at random for talking's sake." I think, Sir, the same remark might well be applied to the Prime Minister in his reference to the conditions in this country at the present time.

Mr. EULER: If the hon. gentleman will permit me—I am quite sure he does not wish to convey an incorrect idea to the House: He stated a few moments ago that there were capital expenditures amounting to $118,000,000 last year. I have the figures before me and the total of $118,000,000 is described as "additions to the funded and unfunded debt." That does not mean capital expenditure. It includes—no doubt—the deficit, and in addition it is very plainly stated that something over $28,000,000 is in the form of interest, certainly not capital expenditure.

Mr. MANION: I did not give the figures as capital expenditure; if I did so I made a mistake. What I meant to say was that it was added to capital account. This $118,000,-

000 was added to the debt of the railways according to the answer given to this question.

Mr. EULER: The hon. member sought to give the impression that it was capital expenditure.

Mr. MANION: I did not intend to give any such meaning. I did not pretend to analyze the $118,000,000; I simply said it was an addition to the railway debt of $118,000,000 according to the reply given to the ex-Minister of Finance.

Mr. EULER: It is all right so long as we understand that.

Mr. MANION: That is exactly what I meant; if I did not make myself clear it was my fault. To get back to the question of economy: To my mind this government has no conception of the financial state of this country; it has no conception of the depressed condition in business; it has no conception of any remedy for this depressed condition; it has not even any conception of its own impotence. It is said that Nero fiddled while Rome burnt—

Mr. McMASTER: We have heard that before.

Mr. MANION: I believe my hon. friend would have heard it before. This government does not even fiddle; it simply stands pouring oil upon the flames, in the shape of harmful legislation and high taxation. Let me show the hon. member for Brome (Mr. McMaster) the different manner in which the financial affairs of the United States—that magnificently rich country from the standpoint of riches—are handled. The other day President Coolidge delivered his inaugural address as president, and he made the whole spear head of that address "economy in national expenditure." I am going to read a couple of paragraphs from that address, because, Sir, they apply so well to conditions in Canada that I think they should be laid before this House and this Dominion.

Mr. LANCTOT: For the last fifteen years.

Mr. MANION: They may have been applicable for the last fifteen years but they at least apply more particularly now than they ever did before because conditions have never been so bad in Canada as they are to-day. President Coolidge said—

Mr. RINFRET: Does my hon. friend claim that taxation is higher to-day than it was three years ago?

Mr. MANION: Yes, I think taxation is higher to-day than it was three years ago, and taxation is very much too high under any circumstances, because if this government showed a proper conception of the need of economy it would be cutting down such expenditures as carrying Mr. W. T. R. Preston at the present time—cutting down expenditures of that kind and therefore cutting down the taxation of this country. President Coolidge, in his inaugural address which he delivered on March 4, and which I find recorded in the New York Times of March 5, said—and the words will apply to the Dominion of Canada:

> When we turn from what was rejected to inquire what was accepted, the policy that stands out with the greatest clearness is that of economy in public expenditure with reduction and reform of taxation. The principle involved in this effort is that of conservation. The resources of this country are almost beyond computation. No mind can comprehend them. But the cost of our combined governments is likewise almost beyond definition.
>
> Not only those who are now making their tax returns, but those who meet the enhanced cost of existence in their monthly bills, know by hard experience what this great burden is and what it does. No matter what others may want, these people want a drastic economy. They are opposed to waste. They know that extravagance lengthens the hours and diminishes the rewards of their labour.
>
> I favour the policy of economy, not because I wish to save money, but because I wish to save people. The men and women of this country who toil are the ones who bear the cost of the government. Every dollar that we carelessly waste means that their life will be so much the more meagre. Every dollar that we prudently save means that their life will be so much the more abundant. Economy is idealism in its most practical form.

Later he said:

> The collection of any taxes which are not absolutely required, which do not beyond reasonable doubt contribute to the public welfare, is only a species of legalized larceny.

That is the opinion of the President of the United States in regard to economy and I think that opinion may well apply to conditions in this country at the present time. But instead of paying attention to such advice as that we go gaily on our way spending where we do not earn, spending where we do not even possess. Mr. Micawber gave philosophy to Copperfield on one occasion, which philosophy applies to nations as well as individuals. Micawber had a philosophy of life founded upon his own mistakes.

4 p.m. He said: Copperfield, if you have an income of £20 and your expenditure is £19 19s 6d, the result is happiness; but if you have an income of £20 and the expenditure is £20-0-6 the result is misery; the blossom is blighted, the tree is withered, the God of day goes down upon the

dreary scene and you are forever floored, as I am! That applies as much to this Dominion as to each individual in the country; because unless attention is paid to that philosophy this country cannot make the progress which it should make. I do not wish to go further into the question of economy because it requires no elaboration. The only people in Canada who do not seem to know that economy is needed, the only people in Canada who are paying no attention to the extravagance of the government, are the members of the government themselves.

Now, Sir, I must deal for a few moments with the question of a stable tariff policy for this country,—this will appeal to my hon. friend the member for Brome (Mr. McMaster)—a stable tariff policy for this country high enough to permit all our industries to continue, a policy which will give us not only confidence in our business but work for our unemployed, and give an opportunity for our Canadian boys and girls to remain in Canada and not be forced to expatriate themselves to the most highly protected country in the world to earn a living, and which will give, as well, an opportunity for tens, yes hundreds, of thousands of people from the crowded European countries to come over here and help us to develop this magnificent country which we possess. A proper policy of this kind will give our artisans the choice of employment instead of, as now, the choice of crossing to the United States or going hungry. What we want is to have our Canadian factories going, not to have, as is the case at the present time, foreign factories going whilst ours are idle, Canadian artisans idle while foreign artisans are busy. I wish to show here just in reply to one of the speakers who preceded me—I think it was the hon. member for Prince (Mr. MacLean)—who claimed that conditions in the city of Brantford were in excellent shape, that the reverse is the case. I have here a list of names of those who in the past year have sent to this government protests against this cutting down of the tariff, and at the head of them is the council of the city of Brantford. I have on this list also Hamilton, Kitchener, London, Galt, Glen Williams, Peterborough, Woodstock, Paris, Carleton Place, St. Catharines, Montreal, Toronto and Tillsonburg. These are simply names that I happened to have under my hand; I know there must be many more. In addition to that I have seen protests from coal producers, the boot and shoe producers, the starch and syrup manufacturers, the iron pipe producers, the textile industry, the fruit growers, east and west, the steel producers, and the poultry producers. From all over this country we have had demands for tariff stability, for a tariff high enough to permit our industries to continue. And after all, Mr. Speaker, who has profited in the past year or two by the cuts in the tariff which this government has made?

Mr. JOHNSTON: The agriculturists of the country, all these people have profited.

Mr. MANION: I know one agricultural person that has profited and that is the whip of the Progressive party. He has profited by a free trip to the Wembley exhibition, but he is the only agriculturist that has profited by it.

Mr. JOHNSTON: If my hon. friend was opposed to that trip, why was he not in his seat to vote against it?

Mr. MANION: I certainly would have voted against it if I had been in my seat, because I talked against it. I happened to be in the city of Toronto at the time. I did not dodge the vote; I do not dodge votes.

Mr. JOHNSTON: My hon. friend stated a few evenings ago that he voted against it, when he did not.

Mr. MANION: My hon. friend is correct. I thought I had voted against it. I admit my mistake. It was pointed out to me the other day that only a few members were in the House at the time. Had I been in my seat I would have voted against it, because never was a more disgraceful expenditure of public money undertaken by the government of Canada. Why should the hard-pressed taxpayers of this country pay for the trip of the whip of the Progressive party to the Wembley Exhibition?

Mr. JOHNSTON: My hon. friend had better discuss that with his own whip who supported the vote.

Mr. MANION: My whip did not accept the vote; he did not take the trip either. The hon. member for Last Mountain (Mr Johnston) did, and I should not be surprised if he promoted the whole scheme. I was asking: Who has profited? The hon. member for Last Mountain apparently thinks the farmers have profited. From the statements of his friends sitting around him, I would think that the farmers are at the present time not very well fixed. I know of no farmers in Canada who are in very good circumstances at this time. Have the artisans profited who have been forced to go to the United States to earn their living? Have

the business men in this country profited? I have made it my business, in every section into which I have gone, to ask every class of business men how business is, and never before in my life have I heard so many stories of business depression as at the present time. The whole country is depressed to-day.

It is not cheap goods that we get by a low tariff that we want in Canada; it is work and wages for our people.

I admit with Sir Arthur Currie, the general who made such a good reputation overseas, that perhaps we should talk a good deal of optimism, of patriotism in Canada. I have no criticism to offer to that. I talk it sometimes myself, but at the same time it is very difficult to be optimistic, patriotic, when you have no work and no food in the house. When unemployment and hunger come in at the door, patriotism and optimism fly out of the window, and that is why our people are flying across the border into the United States at this time. If we have prosperity in Canada, we shall have happiness in Canada; and if we have happiness in Canada, we shall hold our people in this Dominion. The reason we have not prosperity, have not happiness in Canada—

Mr. MARCIL (Bonaventure): Ten years of Tory rule—that is the explanation.

Mr. MANION: During the last year of Tory rule we had prosperity in Canada and more than 400,000 immigrants came into this country during that year.

Mr. RINFRET: How is it then that the whole country voted against the then government?

Mr. MANION: They voted against the government because they were war-tired—the same reason that caused people throughout the world to vote against every government that went to the people. But the people of Canada have found out their mistake and very richly paid for it.

Mr. RINFRET: How can my hon. friend explain West Hastings and St. Antoine?

Mr. MANION: How, I ask in turn, can my hon. friend explain Yale, Halifax and Kent?

Mr. RINFRET: Those are old Tory seats. That is easily explained.

Mr. MANION: I can just as easily explain West Hastings as my hon. friend can explain the others. The reason that we have depression and instability in Canada is because of the unstable attitude of this government on the tariff question. We do not need to go back beyond the last three years. We do not need to go back to the Liberal platform of 1919. All we need to do is to go back to 1922 when the present Minister of Finance (Mr. Fielding) brought in his budget at that time and said: The tariff is low enough; we are not going to have any more cuts; we have to have stability in the tariff if we are going to have stability in business in this country. In the following year the present Acting Minister of Finance (Mr. Robb) brought in a budget whereby he made slashing cuts in the tariff in reply to the stand of the Minister of Finance for stability, and the Minister of the Interior (Mr. Stewart) made that now famous but obsolete statement that the death knell of protection had been rung. That was the second stage. This year we have both free trade and protection in the same budget. Could anybody under those circumstances understand what this government really thinks on tariff questions? Is it possible that we can have stability in the country at the present time? A consistent application of a weak policy would be far better than alternate applications of two opposing policies, the application of either one of which may be excellent in itself, but the application of both of which together can lead to nothing but instability as we have it in Canada to-day.

Mr. RINFRET: Can the hon. member point to any tariff reference in the amendment of the hon. member for West York (Sir Henry Drayton)?

Mr. MANION: We do not need to do that. Everybody knows where we stand on the tariff. We were not even given an opportunity. My right hon. leader was not even given an opportunity of moving his resolution; the Prime Minister refused to give him an opportunity to move it.

Mr. RINFRET: I was in the House on several occasions when the resolution was called and the leader of the opposition in his seat, and he did not move it. He had several opportunities.

Mr. MANION: I deny that at any time, at any reasonable hour, since this session opened, was my right hon. leader given an opportunity to move that resolution.

Mr. RINFRET: Will my hon. friend say "any time" or "any reasonable hour?" Of course, if he says "any reasonable hour", he retains the right to decide for himself what constitutes a "reasonable hour".

Mr. MANION: The only time he was given an opportunity was at eleven o'clock at night. Does my hon. friend contend that is a reasonable hour?

Mr. RINFRET: That would be good enough for me.

Mr. MANION: I do not blame my hon. friend for being easily pleased in that regard. I know he finds himself a little uneasy because he happens to represent one of those protectionist cities, not the same kind of constituency as that represented by the Minister of Agriculture (Mr. Motherwell), or the hon. member for Brome (Mr. McMaster). My hon. friend is a member of a party whose tariff policy nobody knows and nobody can possibly know.

Mr. RINFRET: I may tell my hon. friend that I feel as easy in St. James as we do in St. Antoine.

Mr. MANION: We shall find out whether the hon. member is so easy in St. James after the next general election. I am not so sure about that.

Mr. RINFRET: We will welcome it.

Mr. MANION: We will welcome it too. You can go to the country as fast as you like so far as we are concerned. I was going to point out, when the hon. member for St. James (Mr. Rinfret) interrupted me so heatedly, that, though it is true there are sections of this country which do not believe in protection—

Some hon. MEMBERS: Hear, hear.

Mr. MANION: My hon. friends do not applaud so heartily as they did a year ago. I notice, by the way, that no applause came from the other side of the House. I was going to say there are in this country sections such as the prairies which do not believe in protection, and, perhaps, some of the Maritime provinces which do not believe in protection at the present time either.

Mr. CALDWELL: Hear, hear.

Mr. MANION: Except for coal. It is only fair that it should be remembered that, in the Dominion of Canada to-day, Ontario, Quebec and British Columbia, those three provinces at least, are reasonably solid in favour of a tariff policy of protection.

Mr. McMASTER: I doubt that.

Mr. MANION: I submit they are. My hon. friend will have an opportunity to state his case later.

[Mr. Manion.]

Mr. EVANS: What about some hon. members from Ontario in this section of the House?

Mr. MANION: Some of the free traders from Ontario will not be here after the next election. I was going to say that those provinces contain about 7,000,000 of the people of this country, which is a fairly good majority. I do not mean to say by that that I believe the prairie provinces or the Maritime provinces should have anything imposed upon them which would mean a loss to them, and I submit that the resolution of my right hon. leader, which was referred to in the discussion a few moments ago, shows that he realizes what we all realize to-day, that if the 7,000,000 people in Ontario, Quebec and British Columbia are to have the tariff policy which they wish, and if the tariff policy is going to be a weight around the necks of the Maritime provinces or the prairie provinces, they must get some compensation from the 7,000,000 people.

Mr. GOULD: Does the hon. member anticipate that his right hon. leader would reimpose the duty on stumping machines?

Mr. MANION: My hon. friend will have to ask my right hon. leader as to that. He will get his answer from him.

Mr. MEIGHEN: I would on stumping machines in this House.

Mr. MANION: If I may be permitted to have the floor again, I say that the conditions which we suffer from in this country could be counteracted by a wise tariff policy, a tariff which every country in the world except England and Canada has in force at the present time. Both England and Canada, which are not practising increased protection, are suffering from depression, unemployment and an exodus of their own people. In England at the present time they have something like 1,500,000 unemployed, and I hold in my hand a statement from a New York paper showing that the textile industry, the lace and silk and wool industries in England are so hard hit that they are demanding protection. I also have a clipping from the Montreal Star of March 9 which shows that the great shipping industry of England, the greatest industry which she ever possessed, in which industry she commanded the world until recently, is being ousted by protectionist Germany. This article is dated London, March 9, 1925, and reads:

> British industrial interests on the side of both capital and labour have been made to sit up and take notice by the success of German shipbuilders in capturing a £1,000,000 contract which was placed by the British firm of Furness Withy.

The German tender was £300,000 lower than the British one for the five ships that were ordered.

Britain is accustomed to being beaten by continental competition in many industries, but not in shipbuilding.

However, Newfoundland recently ordered a steamer and placed the contract in Holland with an English company. It would have cost an extra £10,000 to have had the work done in England.

Surely in view of that condition, and in view of the fact that even in shipping, the most developed industry in the whole of the British Isles, since England finds it difficult to continue the industry and to compete with the rest of the world in that industry, it would not appear to present a very good argument in favour of free trade.

Mr. McMASTER: Is my hon. friend not aware that in Germany material for shipbuilding is allowed in free?

Mr. MANION: What has that to do with the matter? Does my hon. friend not admit that the British shipbuilders should protect themselves from being driven out of business by the Germans? And if labour is cheaper in Europe and the standard of living lower, does he claim that we should adopt the same conditions in Canada, or should we protect ourselves against such a condition? The material is cheap also to the English shipbuilder. Why should the shipbuilder who has been carrying on so nobly for fifty or a hundred years permit himself to be driven out of business by German competition?

With regard to the politics of my hon. friend from St. James (Mr. Rinfret), I point out that Edmund Burke said that a political party consisted of a group of men banded together for the advancement of national progress by the promotion of some particular principle on which they were all agreed. What is the particular principle on which the Liberal party are all agreed? Is it the tariff? They have as many attitudes on the tariff as Heinz has of brands of pickles and sauces. We have the hon. member for Hants (Mr. Martell) who is a free trader; we have the hon. member from Brome (Mr. McMaster) who is a free trader; and the hon. Minister of Agriculture (Mr. Motherwell) who is a free trader—in the west; I do not know what he is in the east—and we have the hon. Minister of the Interior (Mr. Stewart, Argenteuil) who is a free trader, who has rung "the death knell of protection"—

Mr. MOTHERWELL: What is the hon. gentleman's authority for saying I am a free trader anywhere?

Mr. MANION: Is the hon. minister a protectionist?

Mr. MOTHERWELL: No, not in the sense in which my hon. friend uses the word.

Mr. MANION: I thought my hon. friend would straddle the fence, if I put him to the test. These are a few of the Liberal free traders in the House. My hon. friend the Minister of Agriculture disowns the free trade policy, so I will accept it that he is a protectionist.

Mr. EVANS: I wish to ask a question simply for information and I would like to hear my hon. friend's answer. He says that England is saving £300,000 by giving a contract for shipbuilding to Germany. Will that not assist the shipping industry in England on account of their having that lesser overhead?

Mr. MANION: Yes. But what will happen to the shipbuilders in England who are out of work and going hungry?

Mr. EVANS: Is not industry in Canada suffering to-day because of an unduly heavy overhead?

Mr. MANION: No, it is because of the instability brought about by the many attitudes assumed by the government in regard to protection.

I was speaking of the free traders on the other side of the house. I will mention the protectionists. I will put the hon. member for St. James (Mr. Rinfret) among them if he wishes to go in. Then I will take the hon. member for St. Lawrence-St. George (Mr. Marler) and the hon. member for Sherbrooke (Mr. McCrea) and my hon. friend from George Etienne Cartier (Mr. Jacobs). These are a few of the protectionists in the House. I should not overlook my good friend from North Waterloo (Mr. Euler), he is something of a protectionist, and I have often wondered why he did not become contaminated by the hon. member from Brome (Mr. McMaster) who is so extreme in his views. I could name a number of others, but I will not do so.

In regard to those on the other side of the House who have no policy at all, I will mention the Prime Minister himself, (Mr. Mackenzie King), because I venture to assert that not even the Prime Minister himself knows what policy he supports on the tariff question.

Is it on the Senate that they are agreed? I do not think so, because we have seen a speech by the Minister of Railways (Mr. Graham) which does not agree with the attitude of the Prime Minister as expressed in his speeches in the western provinces. With regard to the railway question they are not

all agreed, because sitting over here to my left is the hon. member for North Waterloo (Mr. Euler) an out-and-out protectionist and just two seats away from him we find my hon. friend from Laprairie and Napierville (Mr. Lanctot), who wishes to give the National railways away for one dollar.

Mr. LANCTOT: I have always held the same opinion on that subject.

Mr. MANION: I laid the trap for my hon. friend and I knew he would say that.

Mr. EULER: My hon. friend said that I was a protectionist.

Mr. MANION: I meant that my hon. friend was in favour of national ownership. And my hon. friend beside him believes in giving away the National railways altogether.

Mr. LANCTOT: We would be better off in five years from now if we gave it away.

Mr. MANION: I do not intend to go into that question.

Mr. LANCTOT: I will tell the House what I think of my hon. friend and his party later. They are to blame for the railway situation.

Mr. MANION: I do not know what abuse my hon. friend is uttering now, because there is too much noise.

Mr. LANCTOT: I will tell the House what I do believe about my hon. friend and his friends.

Mr. MANION: I hope it will be printable. My hon. friend says that this railway condition is due to us. Well, I am just going to see whether it is due to us or not. Perhaps I should be classed among those to whom it is due, but I do not think this party is responsible. In 1896 there was only one transcontinental railway in Canada. In 1904 Sir Wilfrid Laurier and his government started the National Transcontinental and the Grand Trunk Pacific, and before he went out of power in 1911 his government guaranteed $35,000,000 for the extension of the Canadian Northern railway from Port Arthur to Montreal, which made the third transcontinental railway.

Mr. LANCTOT: Did the Conservative party oppose that scheme in the House in 1911?

Mr. MANION: I do not know whether they did or not.

Mr. LANCTOT: No, they did not.

[Mr. Manion.]

Mr. MANION: But I do know that Sir Wilfrid Laurier started the scheme of guaranteeing $35,000,000 to extend the Canadian Northern railway from Port Arthur to Montreal, and so made it the third transcontinental railway. The fact that we have three transcontinental railways should be laid at the door of the Liberal party, not at the door of the Conservative party.

Mr. GRAHAM: If my hon. friend will permit me: A railway running from the prairies to Montreal is not a transcontinental railway. That was the Canadian Northern railway position when Sir Wilfrid Laurier went out of power. The Conservative government of British Columbia—

Sir HENRY DRAYTON: Built the only paying part.

Mr. GRAHAM: Under charter—

Some hon. MEMBERS: Oh, oh.

Mr. GRAHAM: My hon. friend is afraid of what I propose saying. I deny the suggestion just the same.

Sir HENRY DRAYTON: Question.

Mr. GRAHAM: I rose and asked the privilege of making a correction, which my hon. friend (Mr. Manion) gave me. The Conservative government following the government of Sir Wilfrid Laurier through, I think, consultation with Sir Richard McBride, had the latter government issue a provincial charter to the Canadian Northern to build a line through the mountains to the coast. That started the downfall of the McBride government, and left—

Mr. MANION: I do not wish to interrupt my hon. friend but—

Mr. GRAHAM: Just another minute and I will be through. I was trying to point out that my hon. friend was wrong in saying the Liberal party ever established a third transcontinental line. The Liberal government refused absolutely to aid the Canadian Northern extension into British Columbia, but—

Mr. STEVENS: Sir Wilfrid Laurier granted the charter and declared there would be a third transcontinental. He himself is on record in Hansard as saying that he thought a third transcontinental railway was necessary. I will produce Hansard containing his speech in a few minutes.

Mr. GRAHAM: As a matter of fact, I happened to be the minister to whom the Canadian Northern came for aid for the line

through to Vancouver from the prairies, and Sir Wilfrid Laurier and myself absolutely refused that aid, saying they must make a success of their prairie line east, and after that the western extension might be considered. The Conservative party helped the Canadian Northern to build that extension, and thus are responsible for the third transcontinental line.

Mr. MANION: Mr. Speaker, I should like to point out that while I am not going to argue about the part of the line in British Columbia, yet I do submit that the part of the Canadian Northern extending from the head of the lakes to Montreal, which was not needed at all, was started by the guarantee of $35,000,000 made by Sir Wilfrid Laurier before he went out of power in 1911.

Mr. GRAHAM: Did not my hon. friend favour that?

Mr. MANION: I do not know whether I favoured it at that time or not. I was not then handling the affairs of the country; my hon. friend and Sir Wilfrid Laurier were. In 1911 I was quite a young man—a good deal younger than my hon. friend, for which I presume he is a little sorry.

Mr. GRAHAM: Not a bit.

Mr. MANION: At the same time I submit that that line across northern Ontario where in 350,000 square miles there are only 150,000 people is part of the line which should never have been built under any circumstances. However, the hon. member for Laprairie and Napierville was getting rather bitter at my discussing railway matters—

Mr. LANCTOT: By whom was that line from Port Arthur to Montreal built, was it by the Liberals or by the Tories?

Mr. MANION: I do not know who built it, but the contracts were let before the Liberal party went out of power.

But we have got some distance from the argument which I was making, Mr. Speaker. Burke once pointed out the need for some co-operation in regard to one principle for a party to be a political party, and I was showing that in railway matters, tariff matters and Senate matters the Liberal party have no unity of any kind; in fact, in all lines of thought they seem to be dwelling in a thick fog of confused ideas; but no, there is one principle as to which I should have made an exception: they are in agreement on the principle of power at any price—even the price of Canada. It was Daniel O'Connell who said that he could drive a coach and four through any act of parliament. Well, Sir, you could march a whole battalion of soldiers through the principles of the Liberal party to-day without disturbing their ranks in any way.

Now, Sir, what does the Conservative party offer the country in place of the policies which I have been criticizing? They offer a stable tariff policy which will bring about prosperity and success; and they offer it to all classes, to manufacturers and to farmers—to the 2,000,000 farmers of Ontario and Quebec who require protection. These farmers require the home markets which surround their farms, the home markets of Montreal, Sherbrooke, Three Rivers, the home markets of Hamilton, Toronto, Brockville, Peterborough and other cities; and they require more protection than they are getting at the present time to keep out the millions of dollars' worth of farm products which are now being imported and which can be produced in Canada. I have under my hand a report from the Department of Trade and Commerce showing, at page 1420, the imports of farm produce, and fortunately it divides these imports into those that can be produced in Canada and those which cannot. The report shows that of fruits, vegetables and animal products which can be produced in Canada, there were imported in the year ending March 31, 1924, $149,201,000—practically $150,000,000 worth of farm products, all of which could be produced here if we cared to produce them. We collected upon the products imported less than $29,000,000 in tariff duties, or something like 18 per cent; whereas our farm products going into the United States are charged at the rate of from 25 to 30 per cent. Let me give a few of the items. I regret that I am taking so much time,—

Some hon. MEMBERS: Go on.

Mr. MANION: —but I submit, at least half of my speech has been made by my hon. friends opposite. These are a few of the items we imported in that year:

Butter, over 1,000,000 pounds.
Cheese, 900,000 pounds.
Eggs, 5,000,000 dozen.
Fruits, $25,500,000.
Corn, 9,000,000 bushels.
Hides and skins, 49,000,000 pounds.
Lard and its compounds, 8,000,000 pounds.
Bacon and hams, 3,000,000 pounds.
Fresh pork, 10,000,000 pounds.
Pork in brine, 5,500,000 pounds.
Seeds, $3,000,000.
Vegetables, $6,000,000.
Raw wool, 15,500,000 pounds.

Those are a few of the items, all of which can be produced on our farms, and should be produced there. Let me give the duties on a

few of these items to illustrate what I mean by saying our duties are too low in comparison with those imposed by the United States:

Product	United States Duty	Canadian Duty
Wheat..	42 cents a bushel	12 cents
Oats..	15 cents a bushel	10 cents
Hay..	$4 a ton	$2
Potatoes	50 cents per 100 pounds	35 cents.
Butter..	8 cents a pound	4 cents
Cheese..	5 cents a pound	3 cents.
Eggs..	8 cents a dozen	3 cents

This list illustrates some of the goods which should be produced in this country, and it also illustrates the fact that we should have tariff for tariff with the United States. We can do no better in this country than copy the United States, which in area, in resources, in all the essentials of a country's development, is more like the Dominion of Canada than any other country in the world.

Mr. GRAHAM: Could my hon. friend—I am not going to make a speech this time—give the origin, say, of the butter and cheese that was imported? Perhaps he has not the figures—

Mr. MANION: No, I regret I have not the figures. I did not go into that; I did not want to take the time.

Mr. FORKE: I do not wish to take up time either, but I would like to understand why we were importing hides. Some hon. members in that part of the House stated in speeches that very few hides had been manufactured in Canada; that there was no market for hides because there was no manufacturing.

Mr. MANION: These are the figures of two years ago.

Mr. FORKE: I know, but the hon. member was saying that now we had to import hides.

Mr. MANION: These are the figures for two years ago; and by the way, I could have made the figures look very much worse if I had quoted those of three years ago. I cannot explain to my hon. friend why we are importing hides; I did not go into the details. I am giving information which I think my hon. friend should be glad to get, namely, information in regard to products we should be producing on the farms of Canada but which unfortunately we are importing.

Mr. FORKE: That is what I am puzzled about, because I know we can produce hides but we cannot find a market for them.

Mr. MANION: I have the facts here, from the Bureau of Statistics. If there is any mistake it is a mistake of the Bureau of Statistics. I was going to say—

[Mr. Manion.]

Mr. SPEAKMAN: May I ask a question before the hon. member proceeds? Do I understand him seriously to assert that the $150,000,000 worth of farm products that he refers to are all products which could be produced in Canada

Mr. MANION: I made the statement on the basis of information supplied by the Department of Trade and Commerce of this government; sometimes I do believe this government; in this case I do. I expected that question and I am quite ready for it. I confess that when I read the figures I had the same doubt that my hon. friend apparently has. But the figures show that in addition to that $149,000,000 worth of products imported which could have been produced on the farms of this country, we imported $236,000,000 worth of other farm products—that includes cotton, by the way. In other words, we imported into Canada in that year, according to these figures, $385,000,000 worth of farm products of all kinds, of which practically $150,000,000 worth were goods which could be produced on the farms of this country.

Mr. WARNER: May I ask my hon. friend how much of that import consisted of goods which were in season in Canada at the time the import was made?

Mr. MANION: The very fact that the Department of Trade and Commerce in their statistics show that these are goods which could be produced on the farms of Canada indicates that they came in at seasons when they could be produced here, otherwise they would not have been included in such statistics.

Some hon. MEMBERS: No, no.

Mr. MANION: Well, suppose strawberries came in, as they do, a couple of weeks earlier from the southern states than they are produced in Canada, should we take away the taste for strawberries on the part of the people of Canada so that they will not buy Canadian strawberries when they come in? Take the Okanagan valley; in that section of the country the fruit growers are up against the competition of the producers of Washington, Oregon and California, whose products come into our country at least a couple of weeks earlier than the products of our Canadian fruit farmers appear on the Canadian market. Well, should we take away from the people of the prairie provinces, or the people of Canada generally, if you will, the taste for fruits, and permit our fruit farmers in the Okanagan to go out of business? I submit we should not.

I was pointing out that the United States has had the most remarkable development of any country, bar none, in the history of the world. I was going to say that Mr. Blaine, who had a debate with Mr. Gladstone in 1896 on free trade and protection, which we are still debating, pointed out that between 1812 and 1861 the United States had tried free trade three times, and that after each one of these trials there were depression, unemployment, and panics. He said also—and this is according to the facts—that from 1861 on, after they had adopted a consistent high-tariff policy in the United States, progress and prosperity had been practically unbroken in that country.

Mr. McMASTER: Surely the hon. member, who is interesting us so much in his discourse, does not pretend that since 1861 they have not had panics, and severe panics, in the United States?

Mr. MANION: Oh, no. I have said in this House before, and I repeat it now, that no policy that anyone has yet discovered is a panacea for all hard times. There will be hard times occasionally in every country. But I submit that the hard times which occurred in the United States after that later period to which I have referred were very small in comparison with the periods of depression that had prevailed before. And, what is further, the progress of the United States from 1861 to the present day has been the most remarkable in the history of the world. So I submit that we should be more ready to copy the policy of a country which we so much resemble, the United States, than the policy of two little islands in the North sea whose area is only one-thirtieth of ours and whose conditions are altogether different from ours. I submit that that is the method by which we may succeed.

I am going to take the liberty of again quoting President Coolidge. He points out, in the same inaugural address to which I have referred—and I am very near the end of my remarks:

> These policies of better international understandings, greater economy and lower taxes have contributed largely to peaceful and prosperous industrial relations.

And he says:

> Under the helpful influences of restrictive immigration and a protective tariff, employment is plentiful, the rate of pay is high and wage earners are in a state of contentment seldom before seen.

That, I think, is a just reply to the Minister of Justice (Mr. Lapointe) and the Minister of Labour (Mr. Murdock) when they said the other day that there were twenty million unemployed artisans in the United States.

Mr. MURDOCK: Mr. Speaker, the statement was not made by either of the gentlemen referred to. If my hon. friend will stick to the facts—

Mr. MANION: Will my hon. friend tell me who made it?

Mr. MURDOCK: The record will show who made it, and who was quoted as making it.

Mr. MANION: This is a piece of fancy quibbling, Mr. Speaker. The Minister of Justice threw it at me across the floor of this House when I was speaking the other day, and then the Minister of Labour came in and quoted the words. I know who made the statement; he quoted Mr. Green as saying it.

Mr. LAPOINTE: Hear, hear.

Mr. MANION: Well, were they trying to put over a hoax on the people of this country? Were they just talking to hear themselves talk? Or were they really trying to confuse the people?

Mr. MURDOCK: No, there was no hoax being attempted at all. It was merely a statement of what a prominent representative of labour in the United States had said—no more; no less.

Mr. MANION: Well, it is a rather extraordinary attitude for the Minister of Labour to take. The Minister of Justice might be forgiven, because he is not dealing with labour conditions, but the Minister of Labour is dealing with Labour conditions. He puts before a sensible audience, as this House is usually, the statement that there were twenty million unemployed in the United States, quoting it from somebody—a statement which was false on its face. I know there was no such condition in the United States in its whole history. Why, twenty million people—that is one-fifth of the people of the United States; it would comprise the fathers of all the families in the United States! The thing was obviously false; and now the Minister of Labour tries to get out from under by saying it was not his statement—that he only quoted it.

Mr. MURDOCK: He is not trying to get from under any of it. We will deal with it later, and find out whether those who refer to it know better than my hon. friend.

Mr. MANION: Well, I will give my hon. friend a chance. He is quite at liberty to quote it again, but I am sure he will only make himself more ridiculous.

Canada, Mr. Speaker, is to-day in a low-tariff period, the rest of the world is in a high-tariff period, because in Europe you have a low price of money, low wages and low standards of living. Our tariff, therefore, is too low at the present time. The only thing to be done in this country from the tariff standpoint, the only thing that will put industry on its feet, is to raise the tariff applicable to the basic industries. Now, my hon. friends to my left are getting ready to ask me what I have been asked before, namely, why we did not do this when we had the opportunity to do it, back in 1920. The hon. member for Springfield (Mr. Hoey) nods his head, so that he takes the fatherhood of that question. Well, I will answer him. The reason we did not do it was because it was not necessary to do it at that time. In 1920-1921, the last year we were in power, conditions were good in Canada; business was good; unemployment was excellent; there was no exodus to any great extent of our people to the United States. My hon. friend from Vancouver Centre (Mr. Stevens) points out that I said "unemployment", instead of employment, was excellent.

Mr. MURDOCK: You were right the first time.

Mr. MANION: Rather strangely, my hon. friend the Minister of Labour (Mr. Murdock) pointed out on the floor of this House just the other day how good conditions were in this country in 1920. Not only that, Mr. Speaker, but the exodus from Canada at that time was very little: industry was stable; and, more important, the nations of Europe had not then got back to normal production and normal competition. But since that time these conditions have all changed. We have now the exact reverse of what was taking place then. European competition has come back, so much so that they are dumping their goods of all classes into this country, and putting out of business all classes of industry here. What is perhaps more important, this government has come into power, with as many tariff policies as a centipede has feet. The United States has also raised its tariff. The tariffs of every nation of the world have been raised except the tariffs of England and Canada, the two countries that are suffering more from depression to-day than any other country in the world. As a consequence of these changed conditions, the bottom began to drop out of business, and has been dropping out ever since, and everybody knows it except the government.

Let us look at the basic conditions in the United States and Canada. The United States national debt is not much less per capita than is ours. Our trade per capita is greater than theirs. Our bank reserves are good, our railway development is good, our national wealth is great. And yet we are not prospering as they are over there. According to the words of President Coolidge—I choose to take his word in preference to that of the Minister of Labour—conditions are good over there, and everybody knows conditions are bad in this country. What are the reasons for the difference? The chief reasons are that taxation is high in this country, higher than it is in the United States—our income tax, for example, is much higher. Secondly, the tariff of the United States is about twice as high on practically all lines of goods as our tariff.

Finally, Sir, we need a cool head and a strong hand to handle the affairs of this country. Instead of that, we have a weak head, and a hand that cares for nothing except holding the sceptre of power.

I have read a good deal of history in my time, and I have found that there have been a number of weak governments, but I have never found any government, except one, that could equal this government in incompetence, and that was the government of the Sultan Abdul Hamid, in Turkey, in 1885. He ordered the killing of the Armenians. This government is not killing the Armenians; it is killing industry, and driving out of our land into exile in a foreign country our Canadian boys and girls. Not only is this government not killing the Armenians, it is actually helping the Armenians, and the Czecho-Slovakians, the Germans, the French, the British, the Americans—everybody but Canadians. May I also point out that that famous Liberal, Mr. Gladstone, whom my good friend from Laprairie and Napierville (Mr. Lanctot) would not criticize, I presume, having in mind this government of Abdul Hamid made a famous speech in which he said the Turks should be "driven out of Europe bag and baggage." I say, Mr. Speaker, that the only salvation for this country is to drive this government bag and baggage from the Dominion of Canada, and to put in power a government that will bring into force a proper policy of economy, and a proper tariff policy which will give stability to industry, provide work for the unemployed, develop our resources, and build up a nation where our boys and girls can remain and find work instead of being forced to go to the United States to get it; a country where we will be able to look after hundreds of thousands of immigrants coming in from

the crowded countries of Europe. We must not only develop a spirit of love for our own country, but we must provide opportunities for our own boys and girls to indulge that spirit of love for their country. We must build up a proper protective policy which will bring about industrial development in this country, so that our boys on the farms and in our industrial centres will be able to remain in Canada and make a living at home.

About sixty years ago Macdonald, Cartier, Brown and the other Fathers of Confederation had the vision to dream of a great nation in Canada, extending from the Atlantic to the Pacific and from the Great Lakes to the Arctic ocean. If we are going to bring about a realization of that dream, we must profit by the lessons of history of the nations which have gone before.

Mr. McMASTER: Hear, hear.

Mr. MANION: My hon. friend from Brome (Mr. McMaster) will not say "hear, hear" to this, though it is just as true. The lessons of history teach me that there has been no country in the world that has ever progressed and reached prosperity except under a protective tariff. I make no exception when I say that. I do not wish to be diverted again, because I have taken up too much time now. But Great Britain, up till 1846, had the highest kind of protection, so high that she at times prohibited imports into Britain of lines of goods that interfered with home producers. She did not bring in free trade until 1865. For ten or fifteen years after 1846 Great Britain had duties on about four hundred lines of goods. It was not until Gladstone brought in his final free trade budget in 1860 that they had free trade in England. Up to the time they had protection in England, and that is only sixty or seventy years ago, England was the most highly protected country in the world. She was protecting her industries of every kind, and she only brought in free trade when she had become the master of the world from the standpoint of industrial production, when she had become the workshop of the world, and hoped to remain so, because they thought then Cobden was correct when he said that if England adopted free trade, all the countries of the world would adopt it in the next ten years. I could argue this further with the hon. member for Brome, but I do not wish to take the time. I say, Mr. Speaker, that no country has ever become great industrially or commercially except under a tariff policy of protection. That tariff policy of protection is being fully employed by all the countries of the world to-day except Canada and England. Not only is that a precept which we should live up to, but we should have a policy of economy. The United States and England are living up to that precept of economy, and consequently are cutting down their national debt, whereas in this country, taking the figures of the Acting Finance Minister himself, we have added $13,000,000 to our national debt in the past year.

Let us get into line with these different policies. Let us adopt the policy of lower taxation, by cutting down the expenditures of this government. Let us adopt the policy of protection, which will keep our home markets for our Canadian people, and permit them to compete with the other countries of the world. Let us adopt a policy of economy on the railways. Let us adopt a policy with an efficient immigration as its aim. Adopt these four as the corner stones in the building up of our nation, and cement them with a united Canadian spirit, and it appears to me you will then bring about that progress, prosperity and content which the people of Canada desire at the present time.

Hon. J. H. KING (Kootenay) (Minister of Public Works): Mr. Speaker, before proceeding with the remarks I shall make, I desire to be in accord with the other members of this House in expressing my personal regret at the continued absence of the Minister of Finance (Mr. Fielding). His record as a public servant and as a minister of the crown is one that I think commands the admiration of most people in Canada. His integrity, earnestness of purpose, and his courtesy are admired by all.

My hon. friend who has just sat down (Mr. Manion) has followed to-day pretty much along the lines of the former Minister of Finance (Sir Henry Drayton) in his attack on the financial statement of this government. I think it can be easily contended that he has not succeeded in his effort to upset the facts as stated in this House by the Acting Minister of Finance (Mr. Robb) some days ago. It is true he drifted far and discussed many matters. We have had to-day a real campaign speech delivered by my hon. friend from Fort William and Rainy River (Mr. Manion), the hon. member apparently thinking it would be wise to try out a speech of that kind in parliament before going to the electors. He referred to the matter of immigration—

Mr. MANION: If my hon. friend will permit me: I hope he will not attempt a campaign speech; I know he is above all that.

Mr. KING (Kootenay): We will see when we get through. My hon. friend referred to the matter of immigration and said that in 1914 some 400,000 people came to Canada. Later on he said that in the last year of Conservative rule 400,000 people came to Canada.

Mr. MANION: I noticed the mistake; I meant the same year, before the war.

Mr. KING (Kootenay): I mention this because otherwise wrong inferences might get into Hansard and be accepted throughout the country, and if they are not corrected it leaves a false impression. Now, as is well understood, immigration does not come about over night, it is the result of a policy carried on for a period of years. People do not emigrate to another country unless there is a reasonable chance of succeeding in the new land. During the years between 1900 and 1911 the policy pursued established a record in Canada, people were attracted from other countries and they came to this country in thousands and hundreds of thousands. It is true that after the defeat of the Laurier government in 1911 the flow of immigration did not cease but continued up to 1914.

Mr. MANION: It increased.

Mr. KING (Kootenay): There may have been an increase but not under the policies that prevailed and the conditions that existed in Canada between 1911 and 1914. Because it is well known—hon. gentlemen in this House know, the people of Canada know—that in the spring of 1914 there was more unemployment and more distress throughout this country than there has ever been at any time since that year. Even after the war period the conditions we had in western Canada did not compare with the conditions which existed there in 1914 in the matter of unemployment.

My hon. friend complained of railway expenditure. It is well understood—

Mr. MEIGHEN: Will the minister give an example of any appeal in that year for even provincial or Dominion relief by reason of unemployment?

Mr. KING (Kootenay): In those years the people of Canada appealed to the authorities responsible, but of late years a system has grown up in this country of appealing to the federal government. "They have the money, get it from the Dominion government." That is the view that exists in some quarters in Canada to-day. But the people are supporting the government to-day in withstanding appeals of that kind and in placing the responsibility where it properly belongs.

My hon. friend (Mr. Manion) complained of the expenditure in regard to the government railways. What is the history of that question? During the regime of my hon. friends opposite they brought about a consolidation of those railways; they provided that there should be a national system that should operate as any private system might operate. Such is the condition we have to-day and it was brought about by hon. gentlemen opposite. My hon. friend (Mr. Manion) spoke of a capital expenditure last year of $118,000,000. I do not think he was fair to parliament in making such a statement. Later on when his attention was drawn to it he explained that he did not intend to convey any such idea. However, the statement will stand further scrutiny and if the facts are carefully examined it will be seen that the $118,000,000 referred to was a fair and proper expenditure under existing conditions.

My hon. friend has also seen fit to charge that great extravagance exists in connection with the public works of this country. I should like the hon. gentleman to be fair. What are the facts? The Department of Public Works is administering and carrying on its services for one-half the appropriations that were voted in 1914. Furthermore if we compare the relative value of the dollar to-day with its value in 1914 it will be evident that there is an earnest effort to economize and that economies are being effected by the government. It is a surprising thing that my hon. friends opposite have lately become addicted to the making of comparisons with the United States. How wonderful conditions are in the United States, they say, and how terrible they are in Canada. Why cannot we be fair with ourselves? There is prosperity in the United States but it is a prosperity growing out of the war. The United States did not enter the war until two or three years after Canada did, and during that period it accumulated great wealth which wealth it holds to-day. Comparisons of that kind by Canadian public men are absolutely unfair to this country and to its people.

My hon. friend also referred to the appointment of royal commissions and for some reason selected the Royal Grain Commission for criticism. Well, now, what is probably the largest trade we have in Canada to-day? It is our grain trade. There have been complaints, not within the last three or four
5 p.m. years but over a period of many years, with respect to the marketing of grain, and there have been previous

grain commissions. When the present government assumed office considerable uncertainty existed with respect to this trade, and there were many demands that a royal commission should be appointed to investigate the existing conditions.

Mr. MANION: The reason I spoke of the grain commission and the pulpwood commission was because they were the only two for which I could get figures from the government. They are the only ones for which I have received figures so far.

Mr. KING (Kootenay): I am just following my hon. friend's remarks. He indicated to the House that there had been a waste of public money in appointing the Royal Grain Commission.

Mr. MANION: Not especially on that commission, on a lot of them.

Mr. KING (Kootenay): You mentioned those two and they are the ones I will deal with. As I have already stated, this was not the first commission appointed to inquire into the grain trade; there have been others and there will probably be others again because it is a very important trade. The present commission presented a very comprehensive report, and it is the hope of the government that by reason of that report parliament will agree on such comprehensive legislation as will remedy some of the evils complained of. The cost of the commission was $169,707 which works out at about one-fifteenth of a cent per bushel taking a crop of 250,000,000 bushels. So it is evident that the country will get good value for the money expended. As far as the Royal Commission on Pulpwood is concerned there will be an opportunity probably of discussing the matter later. I can only say that during the last week representations have been made by hon. members of this House suggesting that there should be an embargo on our forest and other raw products. If such a policy is to be adopted surely the people of Canada should be fully informed in regard to the facts. In the past other commissions were appointed but they did not bring about such results as the government of the day might have wished for.

I was rather surprised that my hon. friend accused this government of extravagance with respect to such a trifling matter as the trip to Wembley exhibition made last year. The whips of the several parties in this House were selected to go there in the interests of the Canadian parliament and the Canadian people.

It was a most useful trip, full of information and enlightenment, and the hon. gentlemen who participated in it will be in a position to serve their constituents and their country by reason of the journey. And yet hon. gentlemen opposite speak of it as a terrible thing. Why, Mr. Speaker, we have had such trips as this on other occasions. There have been at other times trips to the Old Country in the interest of Canada and the Canadian people. I do not think my hon. friend (Mr. Manion) will succeed, if he has no greater examples than the one given, in impressing the people with the idea that the government is guilty of extravagance.

Mr. HOEY: Will the minister be good enough to state what the cost of the Wembley trip was?

Mr. KING (Kootenay): I understand it was $1,400 for each member, or $4,200 in all. We have also heard from my hon. friend (Mr. Manion)—and I am going to clear this up before I proceed further—a complaint regarding the railways and he tried to go back and show that the Liberal party were responsible. My hon. friend finds himself to-day in a very peculiar position. From 1900 to 1911 he was a good Liberal, and if the Liberal party made mistakes during that period, he was supporting them. If the Conservative party made mistakes after 1911—and they admit they did in regard to the railways—he supported that also. So he has a double liability and a double responsibility.

Mr. MANION: I was very young then.

Mr. ARCHAMBAULT: He accepted the position of candidate of the Conservative party after that in 1917.

Mr. KING (Kootenay): I do not think it can be fairly contended by the people of Canada, let them be of one party or the other, that the construction of a second line of railway in this country was not a necessity. It was a necessity; it opened up a very wide stretch of country, and it effected a great deal for the settlement of Canada and was to the advantage of the people of Canada. As regards the Canadian Northern which grew out of the prairies and extended east to the eastern seaboard, that was a natural development, because its traffic developed in the prairie country and it had to come to the eastern seaboard in order to carry the traffic that arose along its line. In regard to whether that was justified or not, we have the statement recently made in New York by Mr. Beatty, president of the Canadian Pacific:—

If Mackenzie and Mann had confined their operations to the prairie provinces and their connections in eastern Canada they would have been the wealthiest men in Canada to-day.

Through political manipulations that took them beyond the bounds of the prairies, they destroyed their project. My hon. friend inferred that the people of this country should not take advantage of opportunities that are afforded to the people of the world to import vegetables or fruits in season that they may like to have in their households. I for one would not take that position. I hope the people of Canada will always be in a position and have the means to import these delicacies and any other things they may require in their households. Is it to be the policy of the Conservative party to say: You shall not import oranges, lemons, bananas, strawberries, into your household? The thing is absurd and will not, I am satisfied, appeal to the people of Canada.

Mr. PRITCHARD: Was there any material difference between the duty on that farm produce coming into Canada in 1923 and 1921?

Mr. KING (Kootenay): No difference at all. There has been no change.

Mr. LAPOINTE: A double liability again.

Mr. MANION: May I inform my hon. friend that there is a difference on the other side, that the United States have raised their tariff about twice as high?

Mr. KING (Kootenay): They are not importing any bananas or oranges or lemons. They are not doing us any harm in that regard.

There has been a desire apparently on the part of the opposition to create the impression that the budget is a thing of mystery. That might be all right in some country districts where people are not familiar with the term "budget"; but surely in parliament each and every member knows that the budget is merely the setting out of revenues and expenditures—by whom? Not the minister, but by competent officials in the Department of Finance, setting them down as one would do in one's own business or in the business of a corporation, and at the end of a year striking a balance between the revenue and the expenditure. I think it will be generally admitted that the Acting Minister of Finance (Mr. Robb) is always concise in his statements, and it can also be admitted that he is not of the type that would undertake to deceive this House in the matter of balancing the accounts and affairs of a country like this. My hon. friends contended last year in parliament, and then during the interval between sessions, with more or less success, that this government had been responsible for a change in the method of bookkeeping. That was refuted last year in the House; but apparently my hon. friends thought they could continue a former programme that would be effective in the country and contend that, instead of the government having a surplus of $35,000,000, as was shown last year, there was really a deficit. Their contentions were discounted and have been effectually answered and discounted this year. The Acting Minister of Finance, true to his Scotch instincts for truth and fair play, called in, not one, but two chartered accountants. A day or two ago the hon. member for Vancouver Centre (Mr. Stevens), in referring to the action of these chartered accountants, tried to confuse the issue and did in Hansard leave the inference that these chartered accountants were called in to certify as to the correctness of the audit. To illustrate his point, he read the certificate of the auditors to the balance sheet of the Canadian Pacific. Does my hon. friend think for a moment that that can be put over in this House or in the country? One was a certification as to the method employed in bookkeeping. The other was a certification as to the correctness of the annual statement. The government of Canada do not call in outside auditing firms to confirm the annual statement. We have an Auditor General appointed by the Parliament of Canada, whose statement is brought down each and every year, and that is the audited statement of the affairs of the people of Canada. My hon. friend who, the other day, undertook to intimate that this certification was of no value, was absolutely wide of the mark and side-stepped the question entirely. The certification is of value in this respect, and I am going to read it again because the people of Canada should have this matter finally cleared up in their minds. The certificate reads:

> We have examined the balance sheet of the Dominion of Canada as at March 31, 1924, and we certify that the balance sheet conforms to the balance sheets of previous years in not including in the net debt of the Dominion, issues of the Canadian National Railway Company and companies included in its system, which carry the guarantee of the Dominion of Canada. Such guaranteed issues are shown year by year as indirect liabilities.
>
> GEO. EDWARDS,
> Of the firm of Ewards, Morgan & Co.
>
> W. GARTH THOMSON,
> Of the firm of Peat, Marwick, Mitchell & Co.
>
> Ottawa, Canada, 27th January, 1925.

Mr. STEVENS: The hon. gentleman will find all he has stated in my own remarks. The point I make, if he will just try to understand it, is this, that prior to last year, that

is the year ended December 31, 1923, there had been no consolidated railway statement, but for that year there was one. That would apply also to 1924. My complaint was that this consolidated railway statement was not included in the presentation to the House, and I pointed out that the criticism regarding former accounts did not apply now as it did in previous years.

Mr. KING (Kootenay): I thought I had made myself entirely clear. The certification was for a purpose; it speaks for itself and clears the situation. When the former Minister of Finance (Sir Henry Drayton) was confronted with a certification the other day, what did he say? He said, "All you can say is that we did it." If our hon. friends had wanted to be fair in this matter they would have said, "Yes, that was our system, but we have changed our minds. We think the railway obligations should be a direct and not an indirect liability and should not be confused with the national budget." Personally I am not of that opinion. It does not make very much difference possibly whether they are considered a direct or an indirect liability. But we are only following the procedure generally followed by governments. The government of Ontario does not carry the Hydro Electric Commission or its expenditures as a provincial expenditure. It is an indirect liability, and you will find in the case of the provincial governments generally that expenses of this kind, which are out of the ordinary run of government activities, are not carried as a direct liability; but I think it is important that there should be a separation, and that the expenditures pertaining to the Canadian National Railways should be kept distinct and separate from the general expenditures of the government. We have entered upon a large and important experiment in the matter of government ownership, and I think it is wise and in the interests of the Canadian people that they have full knowledge as to what this expenditure may cost them.

Mr. WOODSWORTH: Would the hon. minister give us full information, for example even to the salaries paid to the higher officials of the organization?

Mr. KING (Kootenay): As I stated a few moments ago, the Canadian National is being carried on and operated as a distinct company, under directors and a board of management. Are you going to place it in a different position from competing lines? The manager says we should not give this information. If we did we would open the doors to our competitors and it would be unfair to us. That statement has been made by the Minister of Railways (Mr. Graham) and I think it is probably an answer to my hon. friend's suggestion. I think the government would have to be guided by the advice of the president or management of that railway in regard to information of that character.

Before passing on to another criticism, I desire to say that I have had some little experience in these matters. I have listened to many budget speakers, not in this parliament but in provincial legislatures, where political warfare is waged very much as it is in this parliament, and on each and every occasion when the government has a surplus I have found that it has been a bitter pill to the opposition; they do not like it. But being a bitter pill to the opposition does not prevent it being soothing and gratifying to the taxpayers of the country. The surplus of last year, the reduction in taxation, i.e., the reduction in the customs duties and in the sales tax of some twenty-four or twenty-five million dollars were well received by the taxpayers of the country, and although the surplus is not as large this year, it is still gratifying to the people of Canada to know that, after the final closing of accounts for the year of revenues received and the expenditures made by the government there was a balance in favour of the country and that there was a substantial surplus.

My hon. friends have taken exception to the manner in which the government have handled the Roumanian and Grecian loans. It was rather surprising when one considers the history of these loans. The loans were made by our hon. friends opposite when the Canadian credit was almost at the breaking point, when the Canadian dollar was worth from eighty to ninety cents, and during my hon. friends' term of office it was a frozen loan, there was no interest paid and it accumulated, but in 1922 arrangements were made, through the high commissioner in negotiation with the Roumanian and Grecian governments, whereby the interest that was due was consolidated in the form of a bond and became part of the joint debt of those countries to Canada. The Acting Minister of Finance (Mr. Robb) very properly stated the other day just what took place. We had a loan made by the late government on which there was no interest being paid. The interest had accumulated to some $4,000,000. A bond was taken from these countries for the payment of this interest and the whole loan consolidated. In the arrangement new

securities were given to the Dominion for the total indebtedness, and they were further secured by specific charges on certain revenues of these countries. In the case of Roumania the security of the new bond is a fixed charge upon the export duties charged on wheat and other export products. In the case of Greece their obligations are a charge upon the revenue of the International Financial Commission appointed to administer specific revenues of the Greek government, for the purpose of meeting the charges in connection with their external indebtedness. These governments since 1922, have been paying their interest charges regularly and promptly, and in the case of Greece part of the principal. You have this position to-day: what was a frozen loan formerly is now a loan on which not only the interest is being paid but the principal is being liquidated.

Mr. HALBERT: How was the loan made? Was it in cash or in goods?

Mr. KING (Kootenay): I believe it was given in cash or credit.

An hon. MEMBER: Goods.

Mr. KING (Kootenay): I am told it was in goods.

Mr. HALBERT: Then by what firms were the goods supplied?

Mr. KING (Kootenay): I am not familiar with the early stages of the loan. There has been a discussion in regard to it, and probably the older members of the House will know.

An hon. MEMBER: Paint.

An hon. MEMBER: Varnish.

Mr. STEVENS: It is an old story.

Mr. KING (Kootenay): It is revived this session.

Mr. ARCHAMBAULT: It is still good and still has some varnish.

Mr. KING (Kootenay): It is surprising, Mr. Speaker, where party exigencies will force our hon. friends opposite. They have been touring this country and in and out of parliament complaining that the people of Canada are exporting their excess production of raw material. The nation is very much like an individual who, to pay his debts and carry on, must sell in the markets open to him the products of his energy. I cannot think my hon. friends are really serious when they talk as they are talking these days of a tariff wall that would prevent the importation of any manufactured goods into Canada and of an embargo that would prevent the raw materials of the country going out of Canada. If that is so, and if it should come to pass, then the Lord help the people of Canada. Conditions are bad enough to-day, and they were bad enough in 1914. Conditions were bad enough between 1878 and 1896. But if this policy that is being promoted and being announced by our hon. friends opposite—that is a high protective policy that will not permit importation of manufactured goods into Canada and an embargo on our raw materials—is to be adopted, then I am satisfied there will be no balanced budget, and Canada will not be in a very happy or prosperous condition. There is a lot of hectic talk these days about the export of our raw materials. To-day in every line of our basic industries we are producing more than we can consume. Is that production to cease or to be restricted to our own requirements? Surely not. As regards three of our basic industries, forestry, agriculture and fisheries, under proper scientific handling they can be conserved and be made increasingly valuable. In the case of forestry this is proven in Norway and Sweden, much older countries than ours, which to-day under a proper system of conservation of their forests are exporting their raw products and selling them in the markets of New York and Boston in competition with those of Canada and the United States.

Mr. DICKIE: What raw forest products are coming from Sweden and Norway to the markets of New York and Boston? I mean absolutely raw products, such as saw logs?

Mr. KING (Kootenay): There are degrees of raw products. Sawn lumber dressed on one side is comparatively raw in its manufacture, and that is entering the markets of New York and Boston to-day from Norway and Sweden in competition with the Canadian and United States product.

Mr. DICKIE: We have no objection to sawn lumber.

Mr. KING (Kootenay): Then it is a matter of degree. My hon. friend says he has no objection to sawn lumber coming in. But he does object to pulpwood that has been rossed.

Mr. DICKIE: That is a small item.

Mr. KING (Kootenay): It is not a small item. The rossing of a cord of pulpwood represents as much in cost and energy as the work on one or two thousand feet of cut timber.

Mr. DICKIE: If I might interrupt again? Why not carry on the manufacture a little further to the pulp, and so enrich our workmen and everybody else to the extent of 50 per cent? That is where our assets are diminishing.

Mr. KING (Kootenay): My hon. friend has asked me about raw products from Norway and Sweden entering the American markets, and I have given him what I understand to be one of those raw products. But who are our greatest competitors to-day in those markets in regard to newsprint and kraft paper? It is these little countries whose forests have been cut and recut for centuries, but through a proper system of conservation those forests to-day are producing in competition with the forest wealth of this great continent. There is no question that there has been frightful waste and extravagance in the handling of these great natural resources, but the waste and destruction has not been in the marketing of the raw products, it has been incident to the carelessness of our people. Fire has been the chief destructive cause. The homesteader in clearing his land has not taken the care he should have taken. The prospector exploring ore veins has at times found it convenient to remove the timber in order that he might better see the character of the country and its geological formation, and he has resorted to fire. But the homesteader and the prospector have not been the worst offenders. We know that railway companies in times past have not properly protected the forest growth adjoining their right of way. The lumberman himself has not always taken proper care to ensure his limit against fire. Many of those who are complaining most bitterly to-day against our raw products being exported are probably more responsible than any others for the terrible destruction of our forest wealth in the past. Fortunately to-day there is a more wholesome regard on the part of the people for our forest wealth; they are beginning to realize what an important part our forests play in the regulation of our rivers and streams, our climate, and so forth.

All our governments to-day, provincial as well as federal, have forestry departments whose staffs are composed of men who have graduated from forestry schools. They are devoting a great deal of time to the conservation and improvement of our timber resources, but they have had considerable difficulty in educating the people to the necessity of voting large expenditures for this work. Anyone who is familiar with lumbering operations on the Pacific coast, particularly on Vancouver island, knows that the lumber men in moving tremendous trees through any section of the country take off all the young, small growth with their drag line. This destroyed growth dries out and in a very little time becomes a fire hazard. As my hon. friend from Nanaimo (Mr. Dickie) said last night in his very interesting and instructive address, when this brushwood takes fire it throws out such a tremendous heat that the chances are that the seed bed will be destroyed and there will be no fresh growth of timber for many years to come. I have travelled through the inland portions of northern British Columbia, and have seen evidences of fires which probably occurred 100 to 150 years ago, and only in the last few years has nature begun to reforest. Fire is the greatest evil we have to contend with although it is true that in certain sections of the country trees suffer from other causes. For instance, recently in New Brunswick, there has been widespread destruction through the attacks of the spruce bud worm, whole sections of spruce having died and a few years later they will look as if they had been fireswept. But eventually science will entirely control these insect pests. The only agency, however, to prevent fire is proper regulation of timber operations, adequate protection and careful patrol work during the fire season,—all of which is going to cost money. In addition to taking these measures against fire, some of our provincial governments—most of the timber being under their control—are making surveys of such sections as are suitable for reforestation, and we find to-day that large areas are being set aside and protected to allow nature to reforest.

With respect to agriculture, we have only to look at the older countries of Europe to realize that our great competitors in Great Britain are Denmark, Belgium and Holland. We know that under scientific methods the products of our soil can be shipped to their ultimate market in the finished state to compete with those of any other country. This is also true with regard to our fisheries. The fishing industry by scientific treatment can be made ever-producing. I noticed within the last few days that a conference is being held in British Columbia between the United States and Canadian interests in order that a rehabilitation of the salmon fisheries on the Fraser river may take place. In line with that policy this parliament adopted two years ago a treaty with the United States government pertaining to the conservation of the halibut banks on the Pacific coast off Prince Rupert. I personally am desirous that there

shall be such a development in Canada as will result in the manufacture in our own country, as far as humanly possible, of our raw material into finished products. But to say that that must be done and that there should also be embargoes to prevent any material from going out in its raw state is absurd; it is a policy that would not be tolerated for a moment by the people of Canada.

We have a different condition in the mining industry. It is true that the ore that is taken out of the ground cannot be replaced by human intelligence or by scientific effort, but surely, having regard to the tremendous wealth we have in these mineral products, the extent of which is practically unknown to the Canadian people to-day and will not be fully known for many years, it is not the time to say to the people of Canada that they shall not ship out of the country the raw material from the mines. It is interesting to view the history of the parties in this regard. I may be mistaken but I have yet to learn of any act on the part of the Conservative party while they were in power, from 1911 to 1921 or in the period preceding, which tended toward the development of refining processes in connection with our ores in Canada. I would ask you, Mr. Speaker, to contrast that policy, or lack of policy, on the part of our hon. friends with the policies enunciated and put into practice by Sir Wilfrid Laurier and his government in the years they were in office. By a system of bounties the iron and steel industries in Canada have been built up. These industries have had their ups and downs, and we know that iron and steel are being made from our ores and that the products of this refinement are being used in the commerce of our country. The bounties as applied to the lead and zinc industry were a greater success. The history of that policy is rather interesting. At a time when the lead and zinc industry in British Columbia was apparently going out of business, the government undertook to set aside a certain sum of money to be used in the form of a bonus to be paid in accordance with the value of the ore refined. Before the period limiting the bonus had expired the stimulation to the industry had been such and the market conditions had been so improved that the price attained by the mineral was in excess of the price on the basis of which the government had agreed to pay the bonus, so that nothing more was required to be done so far as the bonus was concerned. To-day we have the lead and zinc industry well established in western Canada. Canada is making more lead and more zinc than she requires for her own needs, and is becoming an important factor on the world's market in connection with these products.

The hon. member for Nanaimo (Mr. Dickie) an evening or two ago, as I have stated, gave us a very interesting address on the subject of timber waste. But he hardly arrived at a conclusion. He came pretty nearly up to an embargo, but he went back to the question of waste; the hon. gentleman is too shrewd, too clever a business man to go that far. He said in conclusion that he was not satisfied that an embargo would be the proper thing; he thought perhaps an export duty might be wise. If I followed him correctly, I think that was what he said. Well, I do not take exception to my hon. friend's attitude. I am not sure that we have arrived at the position where we should impose export duties on raw material. The question is a debatable one, especially at this time when Canada's position is such that she must have revenues to meet the interest on her national debt, as well as to reduce the debt itself. There is a field there that might be surveyed by experts, bearing upon the question whether Canada would be entitled to take some revenue from the raw products by way of an export duty. I would be prepared to debate and consider that, but as to an embargo, I would say no.

Mr. McQUARRIE: May I ask the minister a question? Is he opposed to embargoes of all kinds against the sending of the products of Canada to other countries?

Mr. KING (Kootenay): I am opposed to the policy enunciated by my hon. friends, a policy of high protection that will not permit the importation of manufactured goods into Canada and will prevent the exportation of raw products.

Mr. McQUARRIE: No; the question was as to embargo. I understood the minister to say he was opposed to embargoes. Did I understand him correctly?

Mr. KING (Kootenay): I have repeated it, yes.

Mr. McQUARRIE: Embargoes of all kinds?

Mr. KING (Kootenay): As proposed by my hon. friends. There may be occasions, in war time or times of stress, when embargoes should be imposed, but I have not seen the time as yet in Canada. As to its being a policy for a great party, I would not like to be one of the party to endorse it.

Mr. McQUARRIE: Just to be more specific, Mr. Speaker, is the minister in favour of an embargo against the export of sock-eye salmon?

Mr. KING (Kootenay): My hon. friend comes from the Fraser river. He is fully conversant with the sock-eye salmon industry, and if he wishes to dilate on the merits of an embargo, he will have the opportunity to do so.

Mr. McQUARRIE: But I am asking a question.

Mr. KING (Kootenay): Just a moment—

Mr. DEPUTY SPEAKER: The hon. member is not entitled to put a further question unless he has the minister's permission.

Mr. KING (Kootenay): I have stated my position quite fairly regarding the matter of an embargo.

Mr. McQUARRIE: Do I understand that the minister refuses to answer the question?

Mr. KING (Kootenay): I have not refused, Mr. Speaker. I have declared my position, and have tried to make it clear to this House. I have stated that in times of stress conditions may arise which would make an embargo on certain products necessary. But as a policy for a great party in conjunction with a high tariff policy—well, the embargo is the limit.

Just before the opening of parliament this year, Mr. Speaker, we had a rather unusual display of activity on the part of our friends opposite in an attempt to precede His Excellency the Governor General in his annual speech to this House. In the Ottawa Journal a day or two before the meeting of parliament, the Conservative party, through their leader, stated the policy which they were prepared to follow; and that policy appeared in the news columns of the press of the country generally. This statement of policy reads very nicely; it would seem to be a panacea for all Canada's ills. In fact, it reads very much like a patent medicine advertisement. The right hon. leader of the opposition proposes a policy of increased protection, stating that it would give new life to Canadian industry, would enlarge the Canadian market for farm products, would create employment for our workers, increase traffic for our railways—by which alone, they state, an all-round reduction in freight rates can be secured. It would also add to the revenue, they say, thus permitting a reduction in internal taxation. Hon. gentlemen opposite would lead the people to believe that if Canada was touched by this magic wand of protection all these things would come about. The proposals are so incredulous that one wonders if he is not living in fairyland.

There is nothing new in the policy of high protection. As far as the Canadian people are concerned we have had it in operation for a period of many years, and it is in operation to-day in some instances. I need take only one example, the automobile industry, which enjoys a protective tariff of 35 per cent. That duty may not be in accord with what our hon. friends opposite are going to propose when they get into power; that may be too low for them. I listened to the former Minister of Finance (Sir Henry Drayton) the other day when he was trying to convince this House that in view of the conditions in Canada we should adopt a protective policy similar to that adopted by the government of France. He read from the French tariff, showing that the schedules had been increased by 1,000, 2,000 and 3,000 per cent in some cases. I think we might fairly assume that for every $100 the manufacturer puts into an automobile, he has a protection of $35, and I think we may also fairly consider that at least adequate protection. Hon. gentlemen opposite say that if we gave protection of that character, we would then turn into the pockets of our workmen the expenditure necessary to manufacture this necessary utility; but has it worked out that way? I find that in the year 1920 we imported 13,079 cars, valued at $14,035,000; in 1923 we imported 7,987 cars, valued at $11,038,000; in 1924, we imported 10,889 cars, valued at $11,442,000; making the value of the total importations for the three years, $36,515,000. So this much vaunted protection has not worked in this case. The imports in those three years amounted to $36,515,000, and if I were to follow the course of my hon. friend the former Minister of Finance, who took the importations of manufactured goods the other day, divided them by 1,200, and then said that that many thousands of people would have had employment in this country if we had had protection, I would take these figures: Dividing 36,515,000 by 1,200 gives 30,428. Divide that by three again, the imports covering three years, and you have 10,142 workmen that should have but did not have this expenditure in Canada on account of this high protection. The thing is a fallacy, Mr. Speaker. It does not work.

The automobile industry is, of course, an important one to Canada. I was rather amazed when I found the extent of the importations, but more greatly so when I looked at the ex-

portations from Canada. I find that in 1922 we exported $14,883,000 worth, in 1922, $8,082,000, in 1924, $37,742,000, or in those three years Canada exported automobiles to the value of $60,607,000. In addition to that, we exported in the same period $8,100,000 worth of automobile parts; so it is a rather important industry.

My hon. friends opposite might say—I would expect them to say, and I say it in order that they will not—look at the growth of this industry under high protection. They would say high protection had made it possible for Canadian manufacturers to export these automobiles. We know that is not so. Capital has come into the automobile business in Canada on account of certain preferences which the Canadian people enjoy in certain markets which the Americans do not enjoy, and that is why this development of the industry has taken place, and why there is this large export business.

Mr. McQUARRIE: Would the minister discuss for a few minutes a tariff on eggs?

Mr. KING (Kootenay): I do not propose to be interrupted by my hon. friend unless he has something of interest to say or a question to ask that bears strictly on my argument.

Mr. McQUARRIE: That is a question of very great interest in British Columbia.

Mr. DEPUTY SPEAKER: The hon. member has no right to persist if the member who has the floor does not wish to answer, or desires to continue along other lines.

Mr. KING (Kootenay): I am not worried about questions, but this question is not applicable to my argument just now. Probably we can let it rest. My hon. friend apparently is interested to-day in eggs and sockeye salmon. He can make an address on them later.

Mr. GRAHAM: Let the eggs set.

Mr. KING (Kootenay): I am satisfied that hon. gentlemen opposite will have a very difficult task in trying to convince the people of Canada that a policy of high protection such as they advocate will be to the advantage and interest of the Canadian people. If this policy is of such great value, I am wondering, and I think the people of Canada are wondering, why in heaven's name did not the Conservative party bring this policy into effect in 1911? They cannot claim they did not do so then on account of the war, because from 1911 to 1914 they had a period of tranquility, and again from 1918 to 1921 they had a further period. In 1911 the Conservative party, which to-day is proposing a high protective tariff, came into power on the defeat of the greatest trade agreement that was ever made by a Canadian government, an agreement which if it was in force to-day would mean prosperity to the Maritime provinces, prosperity to the provinces of central Canada, prosperity to the prairie provinces, and prosperity to the province of British Columbia. But not having this agreement, Canada has been forced to go further afield for her markets, and it can be said to the credit of her people that she has succeeded, and has not been daunted by the mistake she made in 1911. The Canadian people have gone forward and steadily increased the growth of their export, so that to-day Canada stands per capita as the greatest exporting nation in the world.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. KING (Kootenay): Mr. Speaker, before six o'clock I had not only dealt with the criticism of the official opposition on the budget but I had also gone to the point where I think a government are entitled to go. That is, that when the party opposing have laid down their policy as a remedy for the conditions that exist, they should try and show the fallacies of that policy. My hon. friend the member for Fort William and Rainy River (Mr. Manion), who has a very excellent vocabulary which he does not always use with discretion, made use of the term "gold brick." I propose to employ that same term now because it is absolutely applicable with respect to hon. gentlemen opposite. That party gold bricked the people of Canada in 1911. They are the very same men who to-day—through the press, and by their speeches on public platforms and in parliament—are libelling the government of this country and depreciating the efforts of our people. However, I do not think there is much danger of the people falling for those proposals coming from the source from which they do. "Once bitten twice shy," and the people of Canada have not forgotten 1911 and the years that followed.

Sir, I do not believe that any good will ever come to a party that decries its country. In the early days of this parliament it was said that the group of members to the left of the official opposition were pessimistic as to Canada's future. If that was so at

the beginning of this parliament as respects our Progressive friends, all I can say is they never reached the state of gloom and bitterness that prevails in the Conservative party to-day, a condition which is more characteristic of the leaders of the party than of the rank and file. The most notable examples, probably, are the right hon. leader of the opposition and his lieutenant from the city of Vancouver, one of the finest cities in Canada, a city that has enjoyed since 1922 a development unknown in any other seaport city in the world let alone in Canada. This development synchronizes with the new life that has struck western Canada.

My hon. friend from Vancouver Centre (Mr. Stevens) was abroad last summer and since returning to Canada has been busily engaged in making public addresses. He has assumed an attitude that is rather surprising to members of this House, apparently being desirous of copying his friend and leader. Both gentlemen have developed into what might be termed common scolds. My hon. friend from Vancouver Centre is not satisfied to scold the people of Canada and the members of this House, but gushingly states that he told the people of the Old Country last year what he thought of them and their policies, and he adds "I was received with great response." My hon. friend mistook courtesy for response. Let me say that I do not believe it is the duty of any member of the Canadian parliament to go to Great Britain and tell the people there what they should do. I have sufficient confidence in the statesmen of Great Britain to leave Great Britain's problems to her own people to solve.

The hon. member for Vancouver Centre in an address delivered since he returned from England has intimated to the people of Canada that the policy adopted by this government last session, whereby the government reduced the import duties on the instruments of production in the basic industries, had led to blue ruin in the province of British Columbia. He stated that some 350 or 400 men were thrown out of employment on account of the adjustment of the duties on logging equipment. I was rather surprised to hear that statement because I had been in western Canada last fall and met the men who are engaged in the manufacturing of this kind of machinery, and they did not tell me they were going out of business. Accordingly I thought I should ascertain the facts because my hon. friend has the faculty of speaking with some conviction. I made inquiries and I am now going to read to the House what the facts are in regard to that statement. I will read a telegram sent to me from Vancouver dated March 10, 1925:

Hon. J. H. KING,
Minister of Public Works,
Ottawa, Ont.

I have been continuously in commercial engineering in Vancouver since 1902. I know every firm manufacturing or handling machinery in British Columbia. No concerns manufacturing logging equipment have gone out of business since the lowering of tariff. Present depression due to slackness in lumber industry. Only two concerns are engaged exclusively manufacturing logging equipment in this province, namely Empire Manufacturing Company and Tyee Machinery Company. Last named company also imports logging engines manufactured Portland, Oregon, and geared locomotives from Lima, Ohio. These two concerns have never employed more than fifty men in their combined operations. Undoubtedly lowering of tariff has been of great benefit to British Columbia especially coast, depending as it does on the lumber and logging industry and has done no injury to small manufacturing concerns located here. Am certain one large logging and lumbering concern would employ more men and distribute more in purchases and payroll than all concerns engaged exclusively in the manufacture of logging equipment in the province. Statements made that any firms manufacturing logging machinery employing 250 to 300 men have gone out of business since tariff reduction last year absolutely without foundation.

GEORGE A. WALKEM.

I know Mr. Walkem, but not intimately. I have met him. He is not a supporter of the Liberal party. He is a mechanical engineer, who has practised his profession in British Columbia since 1902, and who has been closely associated with engineering and particularly that form of engineering in the province. Last summer the people in his constituency saw fit to elect him to the local legislature of British Columbia.

My hon. friend also referred to and produced a petition from purported employees in the shoe manufacturing business in British Columbia. I want to assure my hon. friend and the petitioners that the government's tariff policy as regards British Columbia, that is, the lowering of duties on the instruments of production, will do more for the shoe business in Vancouver than his highly protective policy. But my hon. friend has seen fit to place his own interpretation on business conditions in British Columbia, and I think it is only fair that parliament should know the real state of affairs. I have in my hand a statement of the Financial Times of March 6, which reads:

Industrial progress in British Columbia shown by workmen's compensation figures from Canadian Bureau of Financial Times, Vancouver. Statistics compiled by the Workmen's Compensation Board of British Columbia are indicative of the industrial development of that province during the year 1924. According to the figures published, it is estimated that more than $160,000,000 was expended last year on payrolls in industries under the Workman's Compensation Act. For 1923, the payroll amounted to $153,548,944 as com-

pared with $128,592,502 in 1922. There was a corresponding increase in the number of industries established and operated, 1,550 new firms commencing business during 1924.

I first saw this statement in the Victoria Times and later in the Financial Times, and I have quoted the Financial Times because it cannot be said to be a party organ. I thought it well to confirm this newspaper statement, and I wrote to the chairman of the compensation board asking if the statement in the Times would be confirmed by his board. He writes me as follows:

The Hon. J. H. KING,
Minister of Public Works,
Ottawa,

February 26, 1925.

Dear Doctor:

I am in receipt of your telegram reading as follows:

"Would be glad if you would confirm statement made in Victoria Times, February, 14, regarding increased number of new firms doing business in the province in 1924 and increased payroll between 1922 and 1924."

I was unable to get a copy of the Victoria Times but take it that the Times copies a report from the Vancouver papers. I accordingly wired you as follows:

"There were 1,550 new firms commenced business in this province during last year. Payrolls of 1924 were at least $22,000,000 greater than 1922"

which I now beg to confirm. The reason I cannot give you the definite payroll figures for 1924 is that we have not yet audited all the employers' payrolls for 1924. There audits will not likely be completed before June or July of this year. However, we have assessed on the basis I have given you and in every single year our assessment has been found to be under the actual payroll; hence you can rest assured that the figures I have given are within the amount.

Conditions in British Columbia are better than they have been for the past four or five years. I have never known such a unanimous feeling of optimism as is now being displayed by the larger employers. Nothing in my opinion can hold British Columbia back from rapidly forging ahead.

I think the information compiled in our records gives more accurate indication of business conditions than any figures that can be compiled by others.

E. S. H. WINN.
Chairman.

The statements that my hon. friend has been making in his many addresses are statements that would lead the people of eastern Canada to believe that conditions in British Columbia are not as they should be. I do not claim that they are the best, but we are improving, we are going ahead. The Vancouver Sun of February 26 had this to say in regard to the propaganda my hon. friend is carrying on and its effect on British Columbia. The article is headed "Poor Publicity" and it goes on to say:

Hon. Harry Stevens, genial and able member for Vancouver Centre, tells his Ottawa confreres that high taxation, instituted by the Canadian government, is driving business men out of Vancouver into Seattle. Published broadcast in the east, this interesting statement has moved many eastern interests to inquire anxiously whether it is really true that the head offices of Vancouver firms are moving across the line. It is not true. In straining after ammunition wherewith to blast his political opponents, Mr. Stevens has this time somewhat overreached himself. Instead of devastating the Liberal forces, Mr. Stevens has simply managed to give his own constituency a black eye. Canadian taxation may be high. No one will deny that. But Mr. Stevens' support of the present freight rates discrimination against Vancouver and the remarkably poor publicity he gives this city in statements like this one will do more to drive Vancouver firms out of business than will our present taxation.

I think I may be permitted to follow that up and to show the progress that British Columbia is making in the industries in which she is directly interested. The lumber industry is one of our largest. Probably no other province in Canada has the stand of timber that British Columbia has, and in no province has the industry developed so rapidly as in British Columbia. I took occasion to write the Department of Lands in Victoria, B.C. asking them in regard to the increase in the lumber business over a period of years, and I propose to place these figures on Hansard. Before doing so, I purpose reading a letter from the minister of that department, because we hear in this House statements in regard to the administration of the lumber industry, not only in British Columbia, but in other provinces, and I think the minister's letter might well be placed on Hansard. He writes as follows:

February 25, 1925.

Hon. Dr. J. H. KING, M.P.,
Minister of Public Works,
Ottawa, Ont.

Dear Dr. KING,

In reply to your telegram of February 23, I enclose herewith memo showing export, as requested by you.

I may say the policy of the government is that manufacturing shall take place within the province. As hon. members are aware, we have no control over export of logs from crown granted areas. In the case of licenses, each case is dealt with on its merits and export is only allowed where there is no local market. On the other hand, no export would be allowed if operations were deliberately carried on for the purpose of glutting the market.

This is signed by the Minister of Lands in British Columbia.

I think I might fairly explain to the House the matter of export of logs from the province of British Columbia. We have large stands of timber there and in our logging operations we find that only certain grades of timber will be absorbed in our own or local markets: that is the lumberman or operator cannot saw a No. 3 or No. 4 grade log and expect to ship that class of timber with the freight rates that it carries into the prairie districts or into the foreign markets. So that in the logging operations we have what is known as a third and fourth grade of logs, which if made into lum-

ber, in thickly populated areas would be absorbed locally, but would not permit of sale if one had to export over a long rail or ocean trip. So that we have in British Columbia the exportation of certain grades of logs, more particularly Nos. 3 and 4. These are only allowed to be exported on a certificate of officials of the department and by order in council of the government. Now as to the growth of the industry, I will just briefly state it. The following figures will show the water borne lumber trade, logs exported and the total scale of logs:

Year	Water-borne Lumber Trade M.B.M.	Logs Exported M.B.M.	Total Scale of Logs M.B.M.
1915..	58,074	106,874	1,017,683
1916..	43,676	52,184	1,280,263
1917..	43,922	51,176	1,647,275
1918..	88,069	11,608	1,761,184
1919..	108,872	44,270	1,758,329
1920..	146,624	28,673	2,046,468
1921..	188,733	90,216	1,790,017
1922..	273,146	151,518	1,899,158
1923..	521,707	233,658	2,521,735
1924..	531,262	240,530	2,549,700

That I think will show the House and the country that the manufacture and sale of the products of this basic industry have advanced very materially during the last few years.

The mining industry is of great interest and great value to the people of British Columbia, and I think never in its history has it been in a more flourishing condition than it is at the present time. The value of our mineral products for 1924, according to a conservative estimate, will total $45,000,000. This is 9 per cent better than $41,000,000 in 1923. This does not tell the whole story for the year 1924 because during that year the coal mining operations within the province suffered very materially, more particularly in the Crowsnest pass district where a strike continuing over seven months lessened production by 750,000 tons. If we eliminate the coal mining, the metal mining will show an increase of 25 per cent in 1924 over 1923. A few miles north of Vancouver we have one of the largest copper mines in the empire. This class of mining has not been over-prosperous on account of the weak markets due to the unsettled conditions that existed in Europe following the war; yet a comparison of the years 1922, 1923 and 1924 shows continuous progress in that industry. In 1922 we produced 32,359,000 pounds of copper; in 1923, 57,720,000 pounds, and in 1924, 63,185,000 pounds. It is true a great deal of this metal is shipped out of the country in the raw state, but as I said this afternoon, the policy of the Liberal party in bonusing this mining industry has brought results. In the budget brought down some few years ago the government gave a bonus for the production of refined copper in Canada, and within the last few months this bonus has had its effect. Copper is being refined at the Trail smelter in British Columbia to-day, and some 600 tons of that refined copper is now in eastern Canada and being manufactured into copper wares in this country. In addition to that we have the annual statement of the Consolidated Mining Company in which they say:

> As expected the year's average prices of lead and zinc were favourable. In the latter part of the year the copper position improved. On the expectation that the market price of this metal will remain above 14 cents a pound for some time, preparations are being made to resume operations by the Allenby Copper Company at Copper Mountain, near Princeton, B.C.

Copper Mountain has one of the largest deposits of copper in the world, but it has been closed down for a number of years, and to-day under the stimulus of the bonus and the increased price of copper, we have further assurance that this mine will be in operation this year. But, Mr. Speaker, probably the brightest phase in the mining industry in any country is the development of the lead and zinc industry in Britsh Columbia. A comparison of the production of zinc for the years 1922, 1923 and 1924 shows the following:

	Pounds
1922..	19,000,000
1923..	58,000,000
1924..	64,000,000

The record of the increase of lead production is even more remarkable as shown by the following:

	Pounds
1922..	41,000,000
1923..	96,000,000
1924..	131,000,000

British Columbia's position in regard to lead products in relation to the rest of Canada is emphasized when it is understood that the year 1923 was the first time that the production of lead from Canadian ores exceeded 100,000,000 pounds. And last year the province of British Columbia from her own ores produced 131,000,000 pounds.

The development of the Portland canal district, where is located the famous Premier mine, the mine carrying very high grade silver and producing great wealth, gives promise of great production, from other properties. A fair indication of the increased mining in British Columbia might be shown by the number of companies which have been incorporated during the last year. Their total capitalization for the years 1923 to November 1924 being around $90,000,000 as compared with $68,000,000 for the full years 1914, 1915 and 1916.

I have referred, Mr. Speaker, at some length to the industrial activity in British Columbia, in order that I might dispel the picture of gloom and despair that has been painted by some of the hon. members opposite. Last night my hon. friend from Comox-Alberni, (Mr. Neill) dealt with the fishing industry in British Columbia and informed the House that the year 1924 was the best year ever enjoyed in the salmon fishery business since 1919. Agriculturists in the province have suffered, as agriculturists have suffered the world over, but I find that last year there was an improved feeling among them.

Now, as to taxation. A few days ago the hon. member for Vancouver Centre suggested that taxation to-day is stifling industry, and that this government is at fault in regard to it. No one will deny for a moment that taxes are high, and no sane or reasonable man will wonder why they are high. During the war period we expended large sums of money both at the front and at home, and to-day we are carrying the burden. We were told the other day by my hon. friend from West York (Sir Henry Drayton) that probably we would be well advised to adopt the French policy and raise our tariffs to a very high point, but he did not suggest that we should not pay our war debt; and I believe it was the intention of our people when they borrowed money to prosecute the war to repay it. So to-day we have high taxation. But as shown by the Acting Minister of Finance (Mr. Robb) $900,000,000 of our war loans are tax free, but as those loans mature and are refunded they will become taxable.

I have made some inquiries regarding taxation in this country and in the United States, and I have before me a comparison of the income tax on corporations as levied in the two countries. I am advised that in the United States this tax is 12½ per cent, while ours is 10½ per cent. These figures are given me by the Commissioner of Taxation and I have no doubt they are absolutely reliable. It is therefore apparent that Canadian corporations have an advantage over those in the States to the extent of 2 per cent in this respect. My hon. friends opposite these days seem to be very anxious to make comparisons between Canada and the United States in an attempt to show that we are very much worse off than our neighbours. But it is very difficult to make reliable comparisons, our federal and provincial jurisdictions being different to the federal and state jurisdictions across the line. Some of our provinces impose income tax, and over this the federal government has no control, and because of this it may be that corporations in this country are paying more in income tax than corporations in the United States. I am not sure whether income tax is imposed by some of the states, but I know that the states adjoining British Columbia do not impose any.

My hon. friend from Vancouver Centre also invited the attention of the Acting Minister of Finance to the fact that non-residents in Great Britain or the United States who purchase goods for export are subject to tax. Well, a non-resident in Great Britain, the United States or Canada, who purchases goods for export only is not subject to income tax. My hon. friend also intimated that an outsider who might come in and do business in England would be presented by the tax commissioner or his agent with an assessment as representing a foreign firm. This statement implies that the Old Country imposes a tax on those who effect purchases therefrom, but I am advised that this is not the case. Foreign companies transacting business in Great Britain through agents or representatives are taxable on profits realized within the United Kingdom, but not in respect to purchases for export only. Great Britain also assesses resident corporations, although they be foreign, where the actual control and management is within the United Kingdom. Preliminary operations in manufacture by foreign companies within Canada are deemed by statutory declaration to be the partial exercise of business or the carrying on of business in Canada, and consequently within the purview of the income tax law. The minister may determine, and his determination is final, what portion of the ultimate total profit made by the sale abroad of the semi-manufactured goods referred to should be taxed in Canada. So we find that a foreign firm with an agency in Vancouver is assessed at the discretion of the minister, and his word is final as to the profits made and the assessment thereon.

I have before me extracts from the Income War Tax Act which I should like to place on Hansard to save time, as I am anxious not to detain the House.

Mr. SPEAKER: By unanimous consent.

Sir HENRY DRAYTON: I presume it is merely the references to which my hon. friend has referred?

Mr. KING (Kootenay): Yes, from the statute.

This is my statement:

Extracts from Income War Tax Act

Inter-company purchases and sales at more or less than fair prices

(2) (a) Where any corporation carrying on business in Canada purchases any commodity from a parent, subsidiary or associated corporation at a price in excess of the fair market price, or where it sells any commodity to such a corporation at a price less than the fair market price, the minister may, for the purpose of determining the income of such corporation, determine the fair price at which such purchase or sale shall be taken into the accounts of such corporation.

Income partly arising from creative operations within Canada taxable

(b) Where a non-resident person in whole or in part produces, grows, mines, creates, manufactures, fabricates, improves, packs, preserves or constructs anything within Canada and exports the same without sale prior to the export thereof, he shall be deemed to be carrying on business in Canada and to earn within Canada a proportionate part of any profit ultimately derived from the sale thereof outside of Canada. The minister shall have full discretion as to the manner of determining such proportionate part.

Non-residents

(3) (a) In the case of the income of persons residing or having their head-office or principal place of business outside of Canada, but carrying on business in Canada, either directly or through or in the name of any other person, the income shall be the net profit or gain arising from the business of such person in Canada.

Non-residents deemed to be carrying on business

(b) Any non-resident person soliciting orders or offering anything for sale in Canada through an agent or employee, and whether any contract or transaction which may result therefrom is completed within Canada or without Canada, or partly within and partly without Canada, or any non-resident person who lets or leases anything used in Canada, or who receives a royalty or other similar payment for anything used or sold in Canada, shall be deemed to be carrying on business in Canada and to earn a proportionate part of the income derived therefrom in Canada. The minister shall have full discretion as to the manner of determining such proportionate part.

With respect to the government's position in regard to the duties on the implements of production used in the basic industries, I am satisfied that British Columbia, which probably is more liberally endowed in this respect than any of the other provinces, will be willing to accept the budget. Last year our Progressive friends unanimously supported the budget, and if they are consistent I believe they will support this budget. It is true the government have not made any further reductions, but the fact that the surplus this year is only $1,800,000 is in itself a sufficient argument against any further reductions in taxation at present. I am satisfied that hon. gentlemen opposite—and I am speaking now of the Progressive group, the second largest in this House—I am satisfied that on mature reflection and consideration they will endorse the budget.

There have been suggestions that the Prime Minister has not been delivering in western Canada speeches of the same tenor as those he delivers in eastern Canada. I absolutely contradict those suggestions. I was with him during his western tour, and probably no Prime Minister of Canada was ever better received. I also had the pleasure of accompanying him to Toronto. A prominent newspaper man had been detailed to accompany the Prime Minister throughout his British Columbia tour. He was sent from Winnipeg to Toronto to report the meeting, and when I met him next morning he said, "Doctor, I have wired the Vancouver papers that the Prime Minister made the same speech last night as he made in Vancouver." There is no doubt on this point as anyone will admit who takes the trouble to read the speeches that the Prime Minister has been delivering throughout the country, for it will be found that the tenor of those speeches is of the same character and the same high type whether delivered in western Canada or in eastern Canada.

Now, I do not think I should continue longer. I believe the people are desirous that the government should proceed in an even and proper manner with the business of the country. I am satisfied that there exists throughout Canada to-day a general opinion among the people that the affairs of the country are being properly administered, particularly having regard to the difficulties which the government have to confront and to the conditions which have been prevailing.

Mr. T. G. McBRIDE (Cariboo): Mr. Speaker, in rising to take part in this debate, I first wish to congratulate the Acting Minister of Finance (Mr. Robb) on being able to bring down a budget that was much more acceptable to this House and to Canada than any of us had reason to expect. Of course we all realize that it would be absolutely impossible to bring down a budget that would be acceptable to everybody. We have in the eastern sections of Canada the manufacturers, who want high protection and we have the prairie provinces in the west, that want free trade. The farmers on the prairies have to compete in the markets of the world with what they produce, and naturally they think they should have the right to buy what they want where they can get it the cheapest. Then we have our large railway system, which the private companies failed to make a success of; a system which was in a very dilapidated condition when the government took it over—in fact it was not

safe to run trains on several of the lines, at least at any speed. On the one hand we have the people talking day after day about cheap freight rates; on the other we have Sir Henry Thornton and his officers making every effort to get our railways on a paying basis. Then we have the Acting Finance Minister and the government trying to keep expenditure within revenue; on the other hand we have members of parliament, or at least a percentage of them, who want more expenditure and less taxation. Under these conditions I do not think it is possible for any man to bring down a budget that would be acceptable in all quarters of the House.

Since the House opened on February 5 a good deal has been said about hard times; about people going to the United States; about unemployment; about getting more immigrants into the country; about less taxation and greater expenditure; about ocean freight rates; about the merchant marine; about cheap money for the farmers and how to run the banks. Others have talked about Senate reform; some about a reduction of the indemnity; some about annexation to the United States. Indeed some people go around the country suggesting that this government is in favour of annexation, or words to that effect. My experience has been that a man with a pair of good sound lungs does not have to go round the country telling the people what he has got; no, they will perform the functions they were intended to perform, without any special effort on his part. As I see it, no true Canadian will go round the country making such a statement; only the skimmed milk type of politician would do such work.

We have heard, as I have already said, a good deal about people going over to the United States. I might make the statement that 250,000 people came from the United States to Vancouver last year, and it would be just as correct, as some of the statements that have been made in this House. The statement is correct, but it is misleading and should not be made. They came over, but the greater number of them went back. Why run down Canada? Why have people so much to say about the United States? Why do they hold the United States up as a country of prosperity, a country to be desired by all, and why do they paint a gloomy and foreboding picture of their own country? There are two or three statements I would like to make in connection with our people going over to the United States. Here is a letter from a young man who went to California in 1923. He says:

> I do not care much for California; I find it very hard to get acquainted. The people seem to think of nothing here but the almighty dollar, and I think every crook from hell to bedlam must be in California.

I have given it word for word as it was written. He says further:

> The favourite sport seems to be trying how often you can get married and divorced in the same year. Stealing other men's wives is another way of passing the time, and robbing at the point of the gun is as common as swatting mosquitoes in the Smith meadows during the month of June.

We have heard a great deal about the condition of prosperity in the United States and the inducements that are offered to Canadians to go there, while at the same time a gloomy picture is painted of Canada. Here is what Sam Gompers, president of the American Federation of Labour for a great number of years in the United States, said on the 5th of November last—and I may say that on the 5th of November there were not a great number of people out of employment in Canada, in British Columbia at least:

> All this talk of prosperity in the United States looks good on paper. We hear much about it, but right now we have at least two million people out of work.

That was on the 5th of November last year. Is that a very desirable country for our people to go to? Still another: Mrs. J. H. Bullman, president of the Illinois Federation of Women's Clubs, in an address before the leaders of that body in Chicago on December 12, makes this statement—these are not Canadians; they are Americans:

> There should be more hanging and less sobbing over the plight of the youthful gunmen and ex-murderers and toughs.

Then she goes on to say:

> We are the most lawless nation on the earth. Our criminal record is unequalled in any city on the globe. With such a condition why should we talk about abandoning capital punishment? Every five and a half years more lives were lost through crime than were lost in the war. I am tired of this silly sentimentality that favours the treatment of crime.

And she closed by urging that there be no cutting down of the number of hangings until crime is lessened. Yet the hon. member for Fort William and Rainy River (Mr. Manion) makes reference this afternoon to the "magnificent" country to the south of us. Glowing terms, splendid words about the country to the south; but what about Canada? He holds up poor old England and Canada as the picture of distress—as if they were not fit to take care of themselves. There was more unemployment—yes, five times more—in Vancouver in the spring of 1913 or 1914 than there has been since this government came into power.

It has been stated by an hon. member of the opposition that the housing problem in this country is solving itself; that the people did not need any more houses, because they were leaving the country. Well, I do not know very much about Canada, but I know a little about a town out on the Pacific coast which they used to call Gastown; then they called it Vancouver, and now some people call it Greater Vancouver. I am going to say a little about what has been going on there. During the year 1924 there were 2,032 homes built in that city, and there is scarcely an empty house in it; indeed when I went back after the last session I had to call up a number of hotels before I was able to get a room. Here is what the building inspector says:

> On December 31st when the building inspectors of the various districts which make up Greater Vancouver compiled their figures for the year 1924, they stated it was one of the greatest years of construction in the history of the lower mainland. The total value of buildings erected was $12,882,474, an increase of 90 per cent over the previous year.

Does that look as if people were leaving this country or had lost confidence in it? But that is not all:

> On December 31st, there was under construction, proceeding or contracted, an additional nine millions, or a grand total of twenty-two millions for the year 1924.

I think that is a record this country should be proud of. It is a record the people should know about, and it is one that will do much to counteract the attempt being made to becloud the issue all over this country. I do not know that I will say much more about Vancouver. I do not wish to make one of those long-winded speeches lasting two or three hours. I will pass on.

The hon. member for Comox-Alberni (Mr. Neill) last night dealt fully with the oriental question. Indeed, many of the items that he had in his address I intended to bring before this House. However, I do not intend to repeat what he has already said, and said so well, and I will be as brief as possible. I will give you a quotation from a Japanese paper translated into the English language. This publication says:

> There is danger ahead. Discrimination has been shown in the school question, which is extremely important, and in the fishing question. We Japanese to whom it is a question of life and death struggle must determine it at any sacrifice.

That is what the Japanese say themselves in their own paper. Indeed, if the Japanese did not stand by their country in case of trouble, they would be executed for treason by their own countrymen. That is the opinion of a judge of the Supreme court of British Columbia, and I quite agree with him. Why should we be bringing in orientals to Canada and educating them in our schools at the expense of the taxpayers of this country, when we cannot furnish money to educate our own children? Why should these people be coming to this country to take the place of our own men in business? We have got to educate them for the purpose, and then allow them to enter business to compete with the white race. Why should we in British Columbia be compelled by this government to allow those people to come to this country, and have them sit in the same schools with our white boys and girls? I have nothing to say against the oriental idea of morals; that is their own business, not ours. But I do say that this government should stop, and stop once for all, those people coming in and placing themselves alongside our children in the schools, where our children will have a chance to talk with them. It is all very good for people down here who do not know, but it is a serious question out in British Columbia, and I think this government should realize it, and the sooner they do, the better it will be for all concerned.

We hear a great deal about the Japanese high temperament, and the position they will take if we say that this country does not want to have them here. If the Japanese had any self-respect, shall I say, they would not come to Canada, for well they know they are not wanted. They are forcing themselves in on us. Would any self-respecting people do that? I do not think they would. And when you bring together the oriental race and the white race together, what do you have? In the first case, they will not assimilate, but they are getting married, and they are bringing into existence a mongrel race that is not a credit to any country. It is certainly not a credit to Canada, and should not be allowed. In fact if this parliament is going to allow these people to come in here it ought to do as the States have done, make a law forbidding orientals and the white race to unite in marriage, and the sooner that is done, the better it will be for all concerned.

We have out there in British Columbia over forty thousand of these orientals, and last year there were about twelve hundred births. Surely that is enough of

9 p.m.

increase without allowing any more orientals to come to our shores. Not only that, the Japanese themselves take objection to cheap labour. I read this in a Japanese paper:

The Tokio government fears cheap labour from China. Drastic action which may result in the deportation of 6,000 Chinese labouring now in Japan is expected from the Japanese government. Chinese labour is affecting employment in Japan, as the Chinese work for smaller wages.

Now if Japan claims the right to deport labour that they bring in when they have finished their work, surely Canada has that right too. Why should she not have this right? Even India has taken the stand to keep outsiders from coming into her country. I read this from Delhi, India:

A bill was passed for the purpose of regulating the entry into British India of persons who were domiciled in other British possessions.

The British representative on the executive council did not oppose that bill. Now if India can regulate her immigration, why cannot Canada? I have another item here from Capetown, South Africa, The Transvaal and Free State:

Asiatic segregation contemplated by South Africa, also Belgrade. The Jugo-Slav Minister of Commerce has published a decree requesting all foreigners to leave. Friendly nations are granted a short delay not to exceed four weeks.

Is this not evidence enough that Canada should have the right to regulate her immigration? Not only that, but there is no class of people in British Columbia to-day that has as much tuberculosis as the orientals have. That has been proven by statistics. And these orientals are in the market gardening business. They are supplying vegetables to the hotels and restaurants and to many private houses. Now is it right that that class of people should be handling vegetables and spreading that disease that is costing British Columbia to-day and other countries thousands, yes, millions of dollars to try and stamp it out? Yet that is what is going on. Indeed, there was a case of leprosy a short time ago in British Columbia, and this man was also engaged in market gardening, with every opportunity to spread the disease. We have quite enough people of our own to run this country, and when the good Lord made the orientals and the white race he put the Pacific ocean between them to keep them apart.

Mr. WOODSWORTH: May I ask if red men were not put in this country rather than the white?

Mr. McBRIDE: The white men were here before the orientals, and the orientals are not pioneers. They do not go out to help develop the country, never have and never will. They always stay around the cities. The hon. member for Comox-Alberni (Mr. Neill) spoke last evening on the subject of naval defence. I should like to say a word or two on the same question. It seems to me this government should do something to give us protection on the Pacific coast. I am not advocating a standing army for Canada. The only necessity for such an army as I see it, would be in the event of trouble between us and our friends to the south—something that nobody ever expects to see, it is quite unthinkable. I do not think Canada should spend money on a standing army but I do believe that adequate provision should be made so as to protect our shores and our ports in case of trouble. Also to enable us to remain neutral, if we wanted to do so, in the event of a clash between other countries. Supposing, for instance trouble arose between United States and Japan and a naval battle occurred between the ships of those countries off the Pacific coast? Supposing the Japanese fleet got the worst of it where would they head for? They would make either for Prince Rupert or Esquimalt, possibly for Vancouver. We may as well realize it the Japanese fleet could enter Prince Rupert, or the harbours of Esquimalt, Victoria or Vancouver and command these cities to surrender. We could not defend ourselves; we have nothing to defend ourselves with. And supposing the Japanese fleet entered Vancouver harbour? Under international law Canada might permit them to remain for twenty-four hours but no longer. At the expiration of that time this country would have to force the evacuation of that harbour or run the risk of bombardment by the United States navy. How could we force the Japanese to withdraw, if they did not wish to go, seeing that we have no means of compelling them. We should simply, in the absence of an adequate force of our own, have to let the Americans come in, and that would be a very humiliating position to be placed in. Then if the Japanese showed fight the Americans would have to bombard their fleet in the harbour and possibly blow up our towns and our docks. It is a serious proposition for us on the Pacific coast. Other countries are preparing for eventualities of this kind and why should not Canada. Sometimes we hear people talking about Canada being in no danger, that the United States and Britain would afford the necessary protection in such case of an emergency. It reminds me of the man who had three sons. He set them up in business but when they got into financial difficulties they always came to talk it over with the old man and to get him to foot the bill. That is not a very dignified procedure,

but it is just what Canada would have to do in the event of such hostilities as I have alluded to breaking out because she could not protect herself. We must look at the facts as they are and not as we would wish them to be. The experience of other countries ought to be valuable to us in a matter of this kind; it is a far safer guide than theory. The experience of England is particularly useful. It has shown that it takes three years to build a warship, and nine years to train a crew. If we trust to civilization there is no guarantee of security. Only the nation that can protect itself is in a position to rest in safety.

Now, what is the United States doing? I am not going to enter upon a consideration of the entire programme of the United States for defence purposes. I shall cite only one instance. In 1924 the number of guns mounted for the defence of Panama was as follows:

Pacific Coast—
One 16" gun range 50,000 yards.
Six 14" guns.
Fourteen 6" guns.
Twelve 12" howitzers.
Twelve 4.7" howitzers.

On the Atlantic coast the artillery mounted for the same purpose is as follows:

Atlantic coast—
Four 14" guns.
Four 12" guns.
Six 6" guns.
Sixteen 12" howitzers.
Eight 4.7" howitzers.
Sixty-six 3" guns.

In addition there is a mobile armament consisting of fifty-two, 155mm. guns, tractor drawn. This year the United States is budgeting for the following additions to the defence of Panama:

Four 16" guns for the Pacific at a cost of $1,200,000.
Four 16" guns for the Atlantic at a cost of $1,060,000.

Surely if the country to the south is impressed with the necessity of making such preparations we ought to do something to protect our part of the Pacific coast. It is possible that Canada could impose on the generosity of the British government in order to protect herself on the Atlantic should trouble break out there but we could not do that on the Pacific; we are too far away. The Dominion of New Zealand last year voted $5,000,000 for this purpose; a little country like New Zealand. We claim that the Canadian people are going to be a great nation in a short time and therefore why should we not make some preparations to defend ourselves? I think it should be the duty of this government to at least make a start this session in providing some protection for the Pacific coast. They are in honour bound to do it.

Now I come to a consideration of railway matters. We have not heard very much on this subject this session but I hope to hear the question discussed before the session is over. I should like to refer for a few minutes to the matter of an outlet to the Peace river country. I am not going to labour the question, I am not going to ask hon. members to take any statements of mine; I will give you statements taken from a report published in 1920 and signed by Hon. Arthur Meighen and W. W. Cory, Deputy Minister of the Interior. I went up into that country and spent part of a fall there before I ever mentioned the subject here—I wanted to be sure that I could verify any statements I intended to make and I will now say that I have no fault to find with that report as a whole. I will just give you a few extracts from the report in order to show you what the country is like:

First, the area of the Peace River district is over 115,000 square miles. Three and a half million acres of the best of this land is owned by the Dominion government.

The climate of the Peace River district is excellent. Blizzards are unknown. Seeding usually begins early in April, sometimes in March. Most of the rainfalls occur in June and July. Mild weather until Christmas is not uncommon.

In 1919 there were shipped out over the Edmonton and Dunvegan railway, 4,909 carloads of freight. In the same year there were shipped in 4,143 carloads of freight. Marquis wheat has yielded as high as 69 bushels to the acre.

Now as to Pouce Coupé:

The extent of this choice area is about 25 miles wide by 40 miles long. The altitude is low. Summer frost and hail are very rare, and total crop failure from any cause is unknown.

The mountain streams contain trout. Cariboo lake teems with large trout and white fish.

Seams of coal are exposed in the canyon above Hudson Hope. Beds of gypsum ten to fifteen feet are exposed on both banks of the Peace river for a distance of fifteen miles.

As regards coal there is practically no limit to the coal areas there and to the available water-power. People went into that district believing the federal government were going to provide railway transportation for them. A circular to that effect was distributed all over the United States and the Old Country, and settlers went in there confident that the government were going to provide them with transportation. As to the kind of people in the Peace river country I am prepared to say I never encountered a better class anywhere. They are the pioneer type. They are men and women who are willing to make good and who will make good if they get half a chance. Why will this government not do something

to give them an outlet? I know the finances of this country will not permit very large expenditures on railways, and I am not asking for that. I should like to see an outlet by way of Prince George, but I understand that would cost in the neighbourhood of $17,000,000, and I am not asking even for that at the present time. What I would like this government to do—and the outlay would be only a small one—is to see to it that the piece of line between Spirit river and Pouce Coupé, fifty-four miles long, which is already graded and which is practically ready to lay the steel on, is completed and to extend it ten miles further into the Peace river block. This would make, all told, sixty-four miles. Surely that would not be a big thing. When the line is built, I would like to see the government turn it over to whatever railway is operating the Edmonton-Dunvegan line on condition that they would reduce the freight rates that now exist from the Peace river block to Edmonton. They could then leave the country alone for a few years to see whether it would develop as fast as a large number of us who know the district think it would. I think that would satisfy the people there, and for the present it would give them an outlet. I believe it would serve the purpose; the expenditure would be very small, and it would redeem the pledges given by the federal government to the people who went in there. I think the government would be fully justified in carrying out this project.

Mr. KELLNER: Did the hon. member see the press report recently to the effect that the Canadian Pacific are negotiating with the government at the moment whereby they are to be given a subsidy of some $180,000 to bring the Peace river grain out over the British Columbia and Edmonton-Dunvegan line?

Mr. McBRIDE: I have seen that report in the newspapers. Further than that, I know nothing of it; but even if that were done, it would not give the people in the Peace river block any accommodation in the way of railway facilities. That would be only to operate the lines that are already there, that is, in Alberta. I think the government is in honour bound to carry out this extension, and I think the people would back them in doing so. As I have already said, this would be only fair to the people who are in there.

Mr. HOEY: Approximately, how many people are in there ?

[Mr. McBride.]

Mr. McBRIDE: I would not say how many are in there at the present time. I do not think in the Peace river block there would be possibly more than two thousand. I was told that at one time there were between seven and eight thousand but I will say this, that when I was through that country, I met only one man who wanted to sell his place. They have their patents on their homesteads and they are keeping them until they get railway facilities while they are living in other places. You can readily understand why people are leaving that district. I have seen men who had built three granaries. They build first one granary, then an addition and then another addition, each year for three years, to hold the grain waiting for railway facilities. In other places, they have two and three years' grain stacked in the fields. They grow the grain because they like to grow it, and they are trying to live there as best they can. It is a general thing for the men to go to Vancouver or the United States, wherever they can get a job, in the winter time, leaving their wives and families to look after the cattle, while they earn a little money with which to buy the necessaries of life. Yet they have the grain there if they could get it to market. Why not give them an outlet?

A good deal has been said about immigration into Canada, and I expect a good deal more will be said. I do not think Canada will ever be right until we have thirty or forty million people. At the same time, I cannot say that I am in favour of this government taxing the people of Canada to bring a certain class of people to this country. I come from the Old Country, and I have never seen the time there that a man, if he wanted to earn his passage to Canada, could not do so in less than two years. If a man has not backbone enough to earn his passage out here, what is he going to do when he gets here? Such men are going to flock into the cities or come and whine to the government to lend them money or something along that line. Let me give an instance. Last spring, two young men who received assisted passages to Canada came out to British Columbia and went to work on a farm that I am very well acquainted with. They said they were raised on a farm in the Old Country; that they had worked on a farm all their lives. One of them worked for about four and a half months and the other, for about five and a half months. I know the man for whom they were working gave them every opportunity. At the end of that time neither one of them could hitch up a team, take it out and do a day's ploughing.

That was not the worst of the matter. The farmer had finally to pay them off, and neither of the men had ten dollars saved when he paid them; they were always borrowing money ahead. When they were asked what they would do for the winter, they said they thought they would go to Vancouver, that the people there would not let them starve. Such people are no good and they are a curse to the workingmen of the country. They go to the cities, take whatever jobs they can get, at any wage, and put the working men out of their steady jobs. We do not want that class in Canada. Any man who wants to make good can earn enough to bring him to this country, and if he cannot do that we do not want him here.

A good deal has been said from all parts of this House about the tariff, and as far as I can see, it makes very little difference whether the tariff is high or low as long as the government will see to it that the manufacturers in Canada will produce goods just as cheap as we can buy them on the American side. That is all we ask. That is all the farmer asks. Why should the farmers of this country, who have to compete in the markets of the world, be put up against a tariff of 25 or 35 per cent when they go to buy anything? That is not right. Some people say that Canada cannot compete with the United States. Canada can compete with the United States. She can give the United States cards and spades and beat them to it. The young men of Canada proved the stuff they were made of when they went to France and Flanders and they can do so again. The trouble with our manufacturers is that they are too mean to purchase up-to-date machinery and give our young men a chance to make good. If they were given to understand that they would get protection provided they put their goods on the market as cheap as they could be purchased on the other side, but that if they commenced to hold the people up in this country, the tariff would be cut down, that would have the desired effect, and I think it is what ought to be done.

I had a letter from British Columbia the other day, in connection with eggs and butter. I think the government during the present session should raise the duty on eggs coming into Canada to make it equal to the duty on the same article going into the States. There is nothing wrong about that and I think it is only fair. Some members laugh at that; the trouble is that protection is not for the farmer. He gets no protection, and the manufacturer is protected all the time. Now a certain class of people start in a small way. They take up a homestead; they have a cow and a few chickens and try to make a living in that way. Why should they not be given the same protection as the manufacturers? Why should the government not put a duty of 8 cents a dozen on eggs, as the United States does? Why should they not also put a duty on butter?

I should like to say a word in connection with the farmers being given this rural credit that has been spoken of. Anything I may say has no reference to returned men whatever. In my view neither this government nor the provincial government can do too much for the returned men—the men who did so much for Canada—but I am absolutely opposed to this government starting to give credit to farmers or anyone else. Let the provincial government look after that. I have heard the provincial government out in British Columbia boasting that they could borrow money cheaper than the Dominion government. Why then should the Dominion government get mixed up in this proposition? Why should they place a blanket mortgage on British Columbia or on Quebec or any other province, in order to be able to give the farmers cheap money? That is exactly what they have been doing. If Mr. Brown has his farm clear of mortgage, why should this government place a mortgage on that farm in order to be able to lend me cheap money? It is not a good policy, and if this government wants to get into trouble, it seems to me that would be a good way to go about it.

In conclusion I have a few words to say about railway rates. We have heard a great deal about railway rates and about putting our railways on a paying basis. Some farmers say, "Reduce the rates and carry more grain." What would the farmers say if the railways said, "Produce more grain, and lower your price for grain, and you will make more money"? The one is just as good an argument as the other. In my opinion it is up to this government to increase the rates from the Atlantic to the Pacific. Some people say that if you increased rates on the Canadian National you would drive all the traffic to the Canadian Pacific. Well, increase the rates on the Canadian Pacific also. As I view the matter, I think it would be a simple thing for this government to increase the rates on both lines, say 10 per cent; then tax both lines 90 per cent of that 10 per cent and you

will get a revenue that will carry our railways and finance the country. I think that is a reasonable proposition. They would not then be making any more profit on the Canadian Pacific railway than they are making at present, or very little more. Canada will never be as prosperous as she should be until our railways are on a paying basis. I say further that districts which have no railway connection should not be taxed to give cheaper freight rates to those districts which have connections with the main lines. Take for instance a firm that I am very well acquainted with in British Columbia which got in nine carloads of freight last month. There is not one member of this House who did not help to pay the freight rates on those nine cars. Why should they? The people who are making the profit are the people who should pay. At present every member in this House is helping to pay for the freight on those cars, because the National railway is carrying them for less than cost. I do not see that it is reasonable that we should put Sir Henry Thornton and his men up against an impossible proposition. I have no hesitation in saying that Sir Henry Thornton and his staff are doing everything that it is possible for them to do to give a good service to Canada and to place the railways on a paying basis. But they cannot do it. It is an absolute impossibility at the present rates. If the freight rates were increased, they would not be any higher than they are in the United States. I have a schedule here showing the rates on one side of the line and the rates on the other side of the line, and I find that where they are carrying wheat, for instance, at 22 cents a bushel on the Canadian side they are charging 37 cents on the American side, and I find in another instance where they are carrying wheat for 20 cents on the Canadian side they are charging 35 cents on the American side. According to this schedule the rates are fifteen to twenty per cent higher on the American side than on the Canadian side.

Mr. MILLAR: Is that per bushel or per hundred pounds?

Mr. McBRIDE: Per bushel, through freights to the head of the lakes. I say we should increase the rates.

Mr. HUMPHREY: I do not think there is any road in the United States that can be compared with the roads on this side per ton mile haulage. I think the roads on this side compare favourably with every road in the United States for haulage per ton mile.

[Mr. McBride.]

Mr. FORKE: I should like to point out that the amount of grain hauled from those stations by these United States roads as compared with the grain hauled from Canadian Pacific stations is almost insignificant. The rates do not count. It is a small part of the traffic.

Mr. McBRIDE: The distances are the same. It is shown on the map that their haulage to the head of the lakes on the same basis costs from ten to thirty per cent more than on our Canadian roads. Why should we force the management of our railway to do something which it is impossible to do I say, increase our rates and put our railroads on a paying basis.

Mr. ROCH LANCTOT (Laprairie and Napierville) (Translation): Mr. Speaker, everybody discusses the economic depression existing throughout the country. My hon. friend, the leader of the opposition (Mr. Meighen), and his friends proclaim that we have not enough protection. We have too much, state the Progressives. All this highly amuses me. How can you explain that the American industries, although highly protected, feel the depression as much as we do. The Canadian farmers, being deprived of the United States markets, have to bear up with some hardships, and the American farmers complain as much as we do, if not more. We have taken the habit of singing the old tunes over and over again without realizing what they mean. It is more than time that we should come down to brass-tacks. I think, it is more likely our follies of railways of war, of "Ballantyne" merchant marine, of soldier land settlement, and so forth, which are the first cause of our economic depression; our excessive and senseless participation in the war, far surpassing our means; for instance, conscription in 1917, when we were already almost ruined.

My hon. friend from Fort William and Rainy River (Mr. Manion) will pardon me I hope, if I do not immediately comment on his speech, because I wish first of all to make a few remarks with reference to our railways since 1911. My hon. friends in the opposition are wonders, they have always done the right thing; if ever errors were committed, we have to blame the Liberals, it is out of the question that they did wrong! Their equals, in the realm of public affairs, are not to be found in any country! Moreover, according to their statements in and out of this House, they boast of being administrators who have governed the country economically, without ever blundering; in a

word, they are the saviours of our country!

These gentlemen, Sir, will tell you that if we have to bear up with the burden of our railways, the responsibility rests entirely with the Laurier government. In 1911, in the course of the session which preceded the general elections of September, the House unanimously voted $35,000,000, as a guarantee to Mackenzie and Mann for 1,000 miles of railway extending from Port Arthur to Montreal, this is $35,000 per mile. The general election took place on September 21, a few months after parliament, without much opposition, had acquiesced in this guarantee. What happened? Laurier was defeated. You might think, Mr. Speaker, that these distinguished statesmen, these far seeing and able men, would set aside this project? Nothing of the sort. Take note that nothing was begun previous to September 21, 1911; the contract was not even signed. Therefore, if this agreement passed by the Laurier government was not in the public interest, the incoming government immediately after the election had taken place, should have refused to sign the contract. That was not done. On the contrary, it is the Borden government, through the then Minister of Railways, Mr. Cochrane, who signed the contract with Mackenzie and Mann. My hon. friend from West York (Sir Henry Drayton) seems to doubt my word. I shall make him a proposal to-morrow, and I am in a position to prove to him that what I state is the truth—

Sir HENRY DRAYTON (Translation): I do not think so.

Mr. LANCTOT (Translation): For there are still eye witnesses and I shall make him meet these gentlemen who are his friends, and who will corroborate my statements. I, therefore, say that you are more to blame than the old Laurier government, for, according to the statements you have since made, you knew that this was a disastrous policy for the country. I further add, without any wish to deceive the House, that on the occasion referred to you failed in your task as members of the opposition and you failed in your duty towards the people of this country in signing this contract, and, you further lie deliberately to the same people, because it is really yourselves who signed the contract. This is not all. The Borden government foreseeing that the building of the two sections, at the same time, would not be a very popular move, came to an understanding with its friend McBride, the Premier of British Columbia and the latter undertook to build the sections between the prairies and Vancouver, a distance of 900 miles, with the Dominion government subsidies and a guarantee of $25,000,000 by McBride. Our railway difficulties date from that day on The only possible thing to do, in 1911, was to get rid of Mackenzie and Mann, by expropriating all their lines in the three prairie provinces, so as to use them as feeders for the Transcontinental railway of Laurier. Had this been done to-day, we would have but two railways instead of three, and the work of Laurier would have proved a greater success than that of the Canadian Pacific railway, because the former opened up on the whole a better territory than the latter, and, as you know, Sir, the prairie railways were, and are still the best paying lines of the Canadian National Railways, passing through and accommodating the most fertile parts of the west. If this had been done, we would not have to face, to-day, this railway problem.

Our troubles began in 1913. The Borden government—the one chosen in 1911—brought in Messrs. Robert Rogers, Cochrane, and so forth, into the cabinet. Laurier was defeated; however, these good Tories still were not satisfied, they were after his scalp. The Transcontinental railway was not quite completed when Laurier was defeated. The task of completing this railway so well begun was entrusted to Mr. Cochrane, the Minister of Railways. The railway grades were changed, wooden bridges were built to replace the iron bridges; all this was done so that the Grand Trunk Railway might have an excuse not to carry out the contract agreed upon between the government and the company. However, the government was yet not satisfied. "This is not enough; Laurier might yet embarrass us; we must do more; we shall establish an inquiry in regard to the construction of said railway;" and commissioners were appointed. You know who they were, Sir Henry Drayton and Mr. Lynch-Staunton; and the trick was done. These gentlemen got down to work and the following year the report was laid on the table of the House; according to these gentlemen's report, the commission appointed by the Laurier government had spent $40,000,000 too much to build the Transcontinental railway, an easy thing to prove when such an inquiry is carried on by faithful partisans. I think I would make no exception for any party in regard to a report on an inquiry held under such conditions, when it is a question of the construction of a railway of more than 2,000 miles. Mr. Speaker, the same thing happens every day in law courts, not for railway construction, but in regard to an unfortunate person who may have committed murder. Medical ex-

perts are called, examine the patient and disagree. They are under oath, no one can accuse them of perjury as they are indifferent to what happens to their patient, whether he escapes hanging or goes to the penitentiary; the case is different for the politician, he wants to see his party in power and, if the party comes to power, he concludes: I shall have my reward, moreover, I am not under oath, I am a Tory and I work for the party, I have very little in common with the Liberals. It is no doubt for such a reason that my hon. friend from West York was knighted.

The government for a time, came to the rescue of our bankrupt railways. In 1917 the war was not over; the Borden-Meighen government felt the elections were approaching; a plan had to be worked out to keep in power and win the war. Their party was the only patriotic one in Canada! So as to make the result more certain, they said to themselves: We shall form a Union government. Some amongst them thought that this was not an easy matter, those old staunch Liberals, the fighters as they are known in the east and even in the west, will refuse to mingle with Bob Rogers; because these Liberals thought at that time that Rogers was no angel. The Tory faction which was trying to bring about this alliance thought: If the thing is necessary, we shall turn down Bob. I am sure that my hon. friend the leader of the opposition was one of those who strove to form the Union government; at all events, if he was one of them, I congratulate him for he made a success of it. To form this alliance the war question was not the only one, there was also the question of railways in which all the premiers of the west, Ontario and even the east were very much interested in. It was then that the government decided to purchase the Canadian Northern so as to have these premiers in their favour; however, if not entirely on their side, at least certainly not openly against them. This proved a success. In 1917, the Borden government purchased the Canadian Northern. This bill was piloted by my hon. friend, the leader of the opposition (Mr. Meighen). Messrs. Mackenzie and Mann were well taken care of. After having undertaken to pay all the guarantees and grants of the Dominion and provinces involved, in money and lands, all these said amounts, for the twenty-eight lines built by Mackenzie and Mann, costing more than $500,000,000, the Borden government, at the time of the purchase of said railways, found the means of having $10,000,000 paid in cash to compensate these gentlemen of their bankruptcy. This was equivalent to saying that they deserved the congratulations of parliament and the people of this country for having succeeded in placing a bankrupt railway upon the shoulders of the taxpayers of this country.

I think, Sir, that it would be difficult to find in this country other railway contractors who knew how to enrich themselves so well with an enterprise which became bankrupt. The people of Canada had no such luck.

Owing to the fact that this purchase was made by the Borden government, the provinces were relieved from their guarantees to Mackenzie and Mann to the amount of over $100,000,000, and, through this 1917 transaction, we hailing from Quebec, have assumed a debt of not less than one-fourth of the above amount, $25,000,000 to $30,000,000 to pay for the blunders of the western provinces which had a very small population at that time.

In 1920, we purchased the Grand Trunk railway. We already had the Intercolonial, the Transcontinental, the Grand Trunk Pacific and other small lines in bankruptcy, and there are still some throughout the country that politicians offer to the president of our National railways so as to add to our railway system comprising 22,000 miles which we own at present, and upon which we lose fifty-six, sixty to eighty million dollars each year. And, all this without mentioning the new lines that we build here and there throughout the country. We have, Sir, since the purchase of the Canadian Northern, in 1917, up to date, increased our railway debt by $582,000,000; the interest, up to this day, on this amount comes to $131,000,000; moreover we owe the public on these purchases nearly $1,000,000,000. We owned paid up railways, previous to our first purchases, to the amount of nearly another $1,000,000,000, and I have no fear of misleading the House and the country when I state that our railways cost us at least $2,500,000,000. I wonder if this state of things can last much longer?

Mr. Speaker, I have always been opposed to this folly of state ownership and I am still more than ever against this unsound policy endorsed by too many of our colleagues in this House. I feel gratified that many of my fellow-members are not so enthusiastic as they were in 1917 at the time of the Canadian Northern purchase. I recall that my hon. friend from South York (Mr. Maclean) was very enthusiastic then; we were to pile up money. A few days ago, he spoke of adding the Canadian Pacific Railway to the Canadian National as the only way of getting out of the hole; not that he is against state ownership, but he hopes to do better with the Canadian Pacific Railway system. He reminds me of a man who went

broke in a poker game, he wants to make up his losses, but often he comes out more in debt. I do not hold the same views as my hon. friend from South York, I would rather see the stronger swallow up the weaker; that is done when there is a bank merger. Not very long ago, in Montreal, the Molson's Bank was merged with the Bank of Montreal, and I think that such a step is to the advantage of the public and the same thing would happen if a merger took place among our railways. I should like to see the Canadian Pacific Railway absorb our National Railways under certain stipulated conditions. And what are these conditions? They are that the Canadian Pacific Railway after having taken possession and paid us a fair price, perhaps a little higher than the one I would put—

Mr. MERCIER (Translation): How much?

Mr. LANCTOT (Translation): I am not particular about the price. At all events, this would rest with the members of this House to decide. I wish to see the large majority of shares remain in this country and not pass over to the Americans or other foreigners, so that we may later deal with our own affairs through the medium of the government and the railway commission.

At the outset of my remarks, I enumerated the causes of our ruin. I now wish to broach the subject of our participation in the war, a senseless and excessive participation with the scanty means we had at our disposal, when we were already on the road to ruin with all our railways.

Should Canada have taken part in the war? I answer, yes; but according to our means. What did this consist in? To recruit 100,000 to 150,000 men and even 200,000 men to please the jingoes of this country, and stop at those figures, furthermore produce food of all kinds to help the allies. Unfortunately our government and all the politicians did not see it in that light. It was not so much with the aim of helping the allies as to pass for loyal subjects of His Majesty and so that the records of history might show that the Tory party had saved the empire. If only our politicians had gauged the true situation of this country, its means, and had understood that Canada is a young country, still undeveloped!

I do not think that there are many amongst the members of this House, at present, that do not acknowledge now that the Borden-Meighen government made a great mistake in having conscription passed in 1917, at a time when the United States had just entered the war, after having accumulated all the gold in this world, and when they did not have one-fourth of the necessary ships to transport their troops. Why impose conscription in this country, when Australia carried on without it. The reason given in 1917, by one of Mr. Borden's ministers was that there existed no province of Quebec in Australia. I am well aware that the movement had Quebec as its aim; however, Mr. Speaker, the people of the province of Quebec will not forget for a long time to come these politicians of 1917. I must draw your attention to the fact that they already gave a decision on this measure in 1917, another in 1921, and they hope to give another in the near future. At present, in the province of Quebec, Mr. Monty, accompanied by Mr. Armand Lavergne, forsooth, and others somewhat in the same class, is organizing meetings on behalf of my hon. friend the leader of the opposition. With a certain dash of reserve, Mr. Monty claims to be the worthy successor of Cartier, and Mr. Meighen the worthy successor of Sir John A. Macdonald. I do not think, Sir, that had Sir John A. Macdonald been Premier of this country during the Great war, he would have made all the blunders that his successors did here in Ottawa. I have somewhat studied the life of Sir John A. Macdonald. I must admit that he is the only Prime Minister of Canada, who remained a Canadian above all things. And I intend in the future if I still mix in politics to support the Prime Minister who will give proof of being a Canadian first and last

The member for West York (Sir Henry Drayton) discussing the budget, on March 30, last, quoted France as an example of a protectionist country, and pointed out what it had accomplished since the armistice. He further stated that France had spent, in reconstruction, for miles and miles of railway and bridges that had been destroyed, for the highways that had to be rebuilt, as well as for canals and dams, up to January 1, 1924, twenty billion francs, so as to repair the physical damage to public properties, over and above those damages to churches, government, public and municipal buildings, and that France had carried out these repairs herself. Moreover, within the same period, France had disbursed an amount equal to about fifty six billion francs for the reconstruction of the devastated territory. To carry out all this work, it received an immigration of 1,500,000 people and it made a lot of money. That may be, I do not deny what France did. However, all this is due to

the extraordinary situation in which it found itself after the war: more than one-fourth of her territory was devastated, more than 500,000 homes destroyed; they had necessarily to rebuild.

However, Mr. Speaker, so as to have work and a visible prosperity, I state that it is not inviting for other countries to find themselves in the same situation as France was after the armistice, in 1918.

In our own country those conditions do not exist, we have no war devastated territory, it is fortunate for us, but we have been ruined by the war and over-burdened with taxation.

Does the high protective tariff infallibly bring prosperity to the people in this country? I do not think so, Sir, and I believe I have an instance in my county which proves, above all doubt, that my contentions are right, that is, that the high protective tariff does not always give to workmen a fair salary for the daily hard labour, in proportion to the salaries paid in the United States for the same kind of work. I am referring to the brickyards of Laprairie and Delson. When this building which we are now occupying was constructed—I refer to the Parliament building—the National Brick Co. of Laprairie, sold to Messrs Peter Lyall & Sons 15,000,000 bricks at $7.25 per 1,000. To-day the same brick sells at $17 per 1,000. I think that my statement cannot lead the House astray, in giving the sale price of that year; it was during the war and men were scarcer than to-day. I would like my good friend, Mr. Ballantyne, our ex-Minister of Marine and Fisheries in the Borden-Meighen government to be asked to do a little work, in his capacity of general manager of the National Brick Co. of Laprairie and Delson —as the company has its works in two different places, 4 miles from one another— Mr. Ballantyne is a protectionist, I think.

Mr. McMASTER (Translation): Yes, an extremist.

Mr. LANCTOT (Translation): I would suggest to him to try the easiest work for the first day, and to take the place of one of the nine men on the strap. These nine men receive from the moulds the bricks which come out fully shaped on the strap and place them two at a time in a small hand car which holds 496 bricks; there is not only one car on the track for nine men, but never less than three or four; these cars when loaded are immediately transferred to the drying chamber and replaced by other empty cars, and this goes on for ten hours. Two bricks, one in each hand do not seem heavy for the first hour, however, they seem to increase in weight with every hour, up to the end of the tenth hour; the average wage, to-day, for the men is $3.60 per day, while two years ago these men earned from $5.50 to $6. Another job for my friend Ballantyne: the settlers. The latter transfer the cars from the drying chamber to what is known as the kiln. These settlers have not as easy a job as the strap men. They must take four bricks at a time and place them in spaced rows, so that the baking is thoroughly done. This kiln holds 96,000 bricks and these men work during ten hours with 22 pounds in their hands; and in order to finish filling up this kiln, they must throw these bricks like a ball, to a height of about twelve feet. It is the hardest work in the world that a man can be called upon to do, during the eight or eight and a half months the season lasts. Out of 100 men—let us suppose them all strong men—who would come to work at our brickyards, 10 per cent, but no more, might perhaps hold out through the season. These men earn, to-day, 35 cents per 1,000 bricks compared to 45 cents per 1,000 two years ago; the same thing applies to the car brick loaders. The latter push wheelbarrows filled with bricks from the kiln, on a platform 100 to 125 feet in length; they draw out with their hands the bricks from the kiln to load their wheelbarrows and when they reach the car they place these bricks in rows. The skilled labour then, up to 1923, earned from $5 to $6 per day and the unskilled hands from $3 to $3.50. To-day, the latter earn from $2.50 to $2.75—a few favoured ones $3 per day. All this happens with a tariff of 22½ per cent, and moreover with a general manager like Mr. C. C. Ballantyne, the leading protectionist in Montreal.

I must therefore, Mr. Speaker, conclude that it is a miserable wage which our men employed at the brickyards eight or eight and a half months, per year, receive. Is this an inducement to retain our young men in Canada, giving them a salary of $2.50 to $3.60 and even $4—the highest price paid by these companies. There are men who work thirteen hours per day and seven days in a week and others eleven hours; for instance, the night stoker begins at 6 p.m. and finishes at 7 a.m; the day stoker begins at 7 a.m. and finishes at 6 p.m. And, Sir, everybody recognizes the fact that the work in a brickyard is the hardest, the most exhausting and hottest of any work which a man is called upon to perform in our country.

I have very little complaints to make about conditions at home; very few of our young men have left the county. In my own county of Laprairie, I do not think that there are ten persons that have left for the United States or elsewhere. However, there are a few more in the county of Napierville because they are nearer the border; the old people have visited the United States, the younger generation take a trip over there and return, telling us they went over to the United States to learn English, and I believe them. At all events, we are fairly well provided for in our counties, being in the proximity of Montreal, and we have very little complaint to make. What we do find fault with, is that the country spent too much money during the war, too much money for the Ballantyne merchant marine and for other things.

Now, Sir, I am always astonished to hear the criticisms of our good friends of the opposition. When the government accomplishes something, it is always wrong. If the Liberals spend $100,000, I think, if it were in their power they would have us all thrown in gaol, but when they themselves spent, for instance, $112,000,000 for nothing, that is of no consequence. It is very strange to meet such people.

Has any one a notion of the cost of the Ballantyne merchant marine? My right hon. friend the leader of the opposition does not seem to have this item fixed in his mind since it has become an accomplished fact. We spent for the construction of this fleet $78,000,000. I have here the report. It is true that we have since sold six and lost three. We sold six for the sum of $600,000, that is $100,000 each. It is the maintenance of this fleet that is costly. We have increased our debt by $30,000,000 due to deficits, and this does not take into account the deficit of this year. The last report for 1924 has not been brought down, but it is said that it will amount to $9,000,000. Since Mr. Ballantyne had these ships built we have squandered $112,000,000 for this merchant marine and each year our losses become greater. I have already told our friends, members of the cabinet, that if these ships were mine, I would not keep them five hours. I would find some Jew, in Montreal, and sell them to him.

While on the subject, I must quickly state, lest I forget, that I am not, like my honorable colleagues of British Columbia, in favour of acquiring a navy. I am now strongly opposed to a naval policy of any kind, whether it be on the Pacific or Atlantic coasts; or in Montreal or in my own place; I do not want a navy, it is too costly. In my opinion, the time has not arrived to carry on war expenditure and make preparations for war. I even think that the hon. Minister of National Defence (Mr. Macdonald) spends too much for militia.

This reminds me of something very queer. A famous doctor by the name of Osler, from Toronto, has stated—I read this in a paper, I cannot vouch for it—that all men over 65 years should be shoved aside so as not to be in the way of others, and chloroformed. I would like something a little different, I do not wish to chloroform the men 65 years old, I am near that age myself—but I would strongly be in favour of chloroforming the politicians who would suggest waging war or building navies.

There is something which appears very strange to the people of this country. The nobs, the millionaires of this country, those who were in favour of war, for whom we had to win the war at all cost and protect the empire, the great loyalists of this country —who, themselves took care not to go to the trenches—loaned us many millions, since there is still $931,000,000 of bonds exempt of taxes I would, Sir, very much like to get at these people. I may be told that these people hold a written agreement from Sir Thomas White, the former Minister of Finance. To this, I would answer: But, we, the members of parliament at this time, had also signed a contract with Sir Robert Borden, in 1916. When the Prime Minister of that day came before parliament to ask for an extension of time to continue their mandate so as not to bring on an election during the war, we agreed to do so on one condition: that there should be no conscription in this country. Did Sir Robert Borden keep his word towards 87 members of this House, representing 87 counties of Canada? Did the Prime Minister carry out his given pledge? No. He forced conscription upon us as soon as he got a majority in the Senate, and we, the poor people of this country had to go to the war. I stated, at that time, in the House that if I had anything to do with the profiteers who had demanded conscription against the wish of everybody, against the humble people of this country, that if I became Prime Minister for half an hour, with the help of legal advisers, I would frame another bill—we were then discussing Bill No. 75—I would frame Bill No. 76 by which I would confiscate the nine-tenths of the wealth of these gentlemen to pay our soldiers $3 per day, and supply funds to the wives and children of our soldiers. That was not done. However, they loaned us money at 5½ per cent on government bonds

exempt from taxes. There is still $931,000,000 due to these gentlemen, on bonds which will mature in 1931, 1935 and in 1937. They still have about ten years of tax exemption, they who forced the government to pass conscription; but these people must prove their gratitude towards us. Why does the House, to-day, not ask, unanimously, the Minister of Finance, to borrow the necessary money to pay these people? I do not wish them to lose a cent on the capital they have lent us, but what I do want, is to pay them off. These gentlemen are responsible, to-day, for a loss of $18,400,000 in the income tax, that we could collect, and nearly $9,000,000 of interest that we should have less to pay.

So that, Mr. Speaker, I make the bold assertion that we are losing at least twenty-five to thirty million dollars per year, and this, all due to these magnates. Would these same gentlemen refuse to render a service to their country, which is practically ruined and has enormous deficits each year, if they were anyway grateful for what the poor people did for them, they who were exempt from conscription owing to the business they were transacting during the war? How did they earn the money they loaned the government? Through war transactions, by charging 300 and 400 per cent to the country for stocks on hand. To-day these people come and tell us: You passed a contract, therefore you must honour it. If that is the case, I want to know why the government of the day, when it obtained an extension of its mandate, in 1916, did not honour the pledge given to the House by its Prime Minister, which is certainly worth an agreement made by the Minister of Finance.

Is not the word of honour of a man who becomes Prime Minister of a country worth as much as an act passed before a notary? That is why I contend that these gentlemen should come to the Minister of Finance and say: We beg of you to make new loans between now and six months; as for us, we shall accept the amounts loaned to the state, we shall pay like the others the income tax on the above amounts just as we pay on advances made to private people. I do not know if this will take place, however, it is a request which I make to these gentlemen. I am not sure either if I would find a seconder in the House on this question; but nevertheless these are my views.

There is one subject which I dislike to mention here; but I am forced to do so, since Mr. Monty stated, in Montreal, that if his party came to power, he would abolish the British preference. I am told that a prominent member from New Brunswick made the same statement in a by-election which took place in that province. I understand it is Mr. Baxter, one of St. John's representatives I should very much like to see this question threshed out, in order that the people be not deceived. I for one am in favour of abolishing the British preference. If a member on the opposite benches wishes to introduce a resolution to that effect, I can assure him that I shall support it; however, I do not wish it to be meant as just a bluff for the people of this country. I make the suggestion. I once told an Englishman, who was not favourable to British preference: Only a Canadian like myself can make such a statement, you are too British to do so; even if this preference were detrimental to your business, you would put up with it. I am opposed to such a preference because England purchases goods from countries with a depreciated currency. I often visit Montreal; I meet wholesale merchants and hear the complaints made. Therefore, to remedy this state of affairs, why not abolish this preference. Oh! if England only sent us her own goods, there would probably be no cause for complaint; but when we are aware that she imports from Germany and other countries—where money has practically no value—at ridiculous prices, can we not blame England of being at the bottom of all our economic troubles? It is not that I think that the boots and shoes which come from Germany or elsewhere are sold cheap in Montreal,—my opinion is that they are expensive goods. However, it is our manufacturers that complain. Have they reason to do so? I cannot say. I believe that generally speaking there are too many middlemen in trade. The jobber adds 40 per cent—and thinks it is not too much—the retailer adds 60 per cent and he also thinks it is not too much; so that we generally pay exactly twice as much for the goods after they have left the factory.

I again state there are too many middlemen. The wholesale merchant should only sell to the retailer without having to deal with a jobber. On that point, I perfectly agree with my colleagues.

Now, Sir, my good friend from Fort William and Rainy River, (Mr. Manion), to whom I listened attentively, this afternoon, gave us certain facts which are not quite correct. He tells us that the United States levy a duty of 50 cents per bushel on potatoes while the Canadian duty is only 35 cents per bushel. He is wrong on that point. It is not 50 cents per bushel, but 50 cents and 35 cents per hundred pounds. The United States tariff on these articles is 50 cents. He preached a doctrine which seems rather odd. Protection first, protection second, protection all the

time. In my opinion, we are suffering in Canada from an evil which is common to all other countries. When a man is ruined, he has no more purchasing power. That is the cause of all our ills. All the European countries are ruined—except England—Germany is perhaps not ruined, but her money is worthless; Russia is in the same predicament; in France the franc is worth but five cents and a fraction; the same thing may be said of Austria and Italy. Often those people cannot buy the simple necessities of life. We, farmers, notwithstanding the crop being good, we only purchase the bare necessities of life. The cause of all the ills which, to-day, exist in this country is the loss of the purchasing power of pre-war days. The manufacturers of farming implements sell very little, because our Quebec farmer is thrifty, he is born thrifty, he is careful and does not get into debt when he knows beforehand that he will not be able to meet his liabilities within a reasonable time. Unfortunately, the same thing does not prevail in other parts of the country. In the west, for instance, the farmers made a great deal of money during the war, but they were somewhat extravagant. In those parts of Canada, the purchasing power is less than in Quebec. Why? Because the farmer of our province, I repeat it, is thrifty, and would never think of spending three or four thousand dollars to take a trip to California; he puts aside his savings and knows how to look after them. I have known old people around my home who never changed a $10 bill; they used to iron it well, give it the appearance of a new bill just issued by the bank and then they would put it away. Unfortunately those days are no more. What makes money so scarce in our rural districts? It is because our farmers have bought too many automobiles. They were very extravagant, during the war they bought cars, pianos and many other things of this kind; that is one reason why we are almost bankrupt in the country. We are the third country in the world possessing the most automobiles. I shall not refer to the United States; there are states that cannot produce enough to pay for their cars. One boasts of the prosperity of the United States; if they continue to be as extravagant as they are, they will be ruined within four or five years and the wealth of that country will be all in the hands of Henry Ford and other large manufacturers of automobiles. As I mentioned Ford, we should invite him to come to Canada, ask him to give up his factories and take hold of our railways. He is certainly a man who would make a success of them. I am, therefore, in favour of giving him our railways to manage.

I do not wish to detain the House much longer. However, I still have a subject to broach; I mean another scheme of my hon. friend, the leader of the opposition. We have spent, up to date, over $120,000,000 to settle our returned soldiers on lands. Many have given up farming. Owing to death, illness, the women not being suited for the land, perhaps for other reasons, they have given up farming. I have been told that last year, the collection of the various amounts that these soldiers pay to the treasury, cost 35 per cent of the total amount. This means that on the $120,000,000 that we have loaned, we shall receive, if we have luck, about $60,000,000. That proves that our ex-Prime Minister has not always been very lucky in his transactions. Yet, when I listen to him, I wonder if he is truly the premier of some time ago. A stranger listening to him would surely not recognize him by what he states in this House. His equal is not found under the sun! No one has ever seen such a man! However, having seen him at work, I know this is not the case. At all events, my hon. friend, whom I find, to-day, more amicable than he has ever been, must not think that everybody looks upon him as I do. He may try to flirt with Quebec, the people will never forget what one of his colleagues stated in this House. That colleague, is my old friend,—who by the way is still my friend—the hon. member for South Wellington (Mr. Guthrie). When conscription was being discussed in this House, in 1917, that hon. member stated that Australia had had no conscription because it was fortunate enough to have no province of Quebec within its boundaries. That is why, we hailing from Quebec, still feel the sting of the insult which was flung at us by one of the colleagues of the hon. leader of the opposition (Mr. Meighen). We have already rewarded him on two occasions and we are getting ready to inflict a third defeat when the time comes.

Mr. ALEXANDRE J. DOUCET (Kent, N.B.) (Translation): Mr. Speaker, in wishing to briefly discuss the budget brought down by the hon. Acting Minister of Finance (Mr. Robb), I do not intend to touch upon the various phases of the speech of my hon. friend from Laprairie and Napierville (Mr. Lanctôt). First of all, he reviewed the old political history of days previous to 1911, and after; he specialized on political questions under the Union government; so far as I am concerned the administration under the Union government of 1917 up to 1921 is not a question of

actuality; and moreover, a number of liberals who formed part of the Union government of that day, and who have returned to the Liberal ranks after the general convention of 1919, and who were elected as avowed Liberals, in 1921, have been generously rewarded by hon. gentlemen opposite; consequently, I question very much the fairness of my hon. friends on the opposite side who are prone to discuss the various measures and legislation introduced, adopted and unanimously agreed upon, as well as all the war budgets voted during this critical period.

Sir HENRY DRAYTON: Hear, hear.

Mr. DOUCET (Translation): Mr. Speaker, when our hon. friend (Mr. Lanctôt) discussed the brickyard of Laprairie, I was wondering if that factory produced many bricks that were exported out of the country? I was, therefore, led to believe that my hon. friend wished to give the government sound advice and ask them to levy a sufficiently high duty on products of United States brickyards so as to prevent their importation.

Mr. LANCTOT (Translation): Will my hon. friend allow me to ask him a question? I would remind the hon. member for Kent, N.B. that the products of our brickyards are protected by a duty of 22½ per cent and that foreign competition is impossible.

Mr. DOUCET (Translation): Mr. Speaker, I am glad to learn that there is such a measure of protection, and I think that the hon. member for Laprairie and Napierville should be, as the Conservatives on this side of the House, in favour of protection. However, I hasten to point out to you an importation of United States brickyard products to the amount of $1,907,521 in 1924—

Mr. LANCTOT (Translation): We are too far from large centres.

Mr. DOUCET (Translation): —against an exportation of $36,733 of Canadian products to the United States. If we are discussing, to-day, the enormous expenditures which are made by the Dominion government it is because, in my opinion, I contend that there is an awful waste of public money, and I wish to give a few instances so as to satisfy my colleagues in this House that such a waste exists. You must have noticed, Sir, that by certain questions put on the order paper, I was able to obtain some information, and through said information I note that the salaries of the Deputy Ministers and chiefs of departments, of which I have a list here to-night, amounts to $51,000 more for the year 1924 than it did for the year of 1921. It seems to me, Sir, that in the financial crisis through which we are passing, if we were bent on making substantial economies in the administration of the country, we should not increase, or at least we should not have increased the salaries of the deputy ministers from $6,000 to $10,000 as has happened in a number of cases. Moreover, Sir, I wish to further point out that the salaries of the Civil Service which amounted to $10,492,955 in 1921-22, will amount to $10,850,503 for the year 1925-26; there is therefore an increase of $357,547.50, and if you add to this the increase in the pensions which was $660,000 in 1921-22 and which to-day amounts to $1,539,000 it means an increase of $879,000. We therefore have an increase for both pensions and salaries of the employees of the various departments, of $1,236,547.50.

Mr. ARCHAMBAULT (Translation): Will the hon. member allow me to ask him a question? Would he be in favour of abolishing the Civil Service Commission?

Mr. DOUCET (Translation): I am not discussing the duties of the Civil Service Commission; I am discussing the increases in the salaries of the employees of the civil service and not the duties of the commission, nor the wisdom of abolishing it.

Mr. ARCHAMBAULT (Translation): Does the hon. member refuse to answer my question?

Mr. DOUCET (Translation): What is your question?

Mr. ARCHAMBAULT (Translation): I asked the hon. member if he would be in favour of abolishing the Civil Service Commission.

Mr. DOUCET (Translation): Mr Speaker, my hon. friend from Chambly and Verchères knows full well that being a new member, I have not yet had the opportunity of studying the duties, the administration and the merits of the commission.

Mr. ARCHAMBAULT (Translation): Then I take it for granted that my hon. friend cannot answer my question because he has no knowledge of the duties of the Civil Service Commission?

Mr. DOUCET (Translation): I shall take the liberty of telling the hon. member from Chambly and Vercheres, that he will not succeed, this evening, in making me say more than I feel like saying. I was not discussing the duties of the Civil Service Commission.

Mr. ARCHAMBAULT (Translation): Then the hon. member refuses to answer my question?

Sir HENRY DRAYTON (Translation): Order.

Mr. ARCHAMBAULT (Translation): I am awaiting the answer of the hon. member for Kent.

Mr. DOUCET (Translation): I have already given my answer and do not intend to repeat it.

Mr. ARCHAMBAULT (Translation): I did not catch it.

Mr. DOUCET (Translation): I was discussing, what seems to me, a waste of public money, and if we wish to retrench we should first strike at the high salaries; at those who could easily afford a decrease in salary, and not act as we did in 1923, even during the session of 1924, increase by $2,000 per year the salaries of the deputy ministers, and the high officials of each department. I think that a number of members to your right, Sir, would approve of this move. I do not wish, this evening, to discuss this question to any length. I would, however, ask, especially as I see two hon. French-Canadian ministers in their seats, that arrangements be made with the Statistical department to turn out more publications in the French language. You may recall, Sir, that last session I brought up this question in regard to the Department of Trade and Commerce; I requested that the Commercial Intelligence Journal which is printed in both languages—I mean there are French and English versions of this publication —I was asking, I said, that these two versions be published at the same time, seeing that they contain the same matter. On that date, the English version comprised 24 pages on the subject while the French version only contained 16 pages. I think, if you look up Hansard you would see that the hon. Minister of Trade and Commerce had promised to take the matter under consideration. Nevertheless, we notice that the French-speaking subscribers of the Commerical Intelligence Journal still receive a pamphlet of 16 pages while the English-speaking subscribers receive one of 24 pages and sometimes a pamphlet containing 32 pages. I want to infer that certain information is curtailed or left out in the French copy and I contend that there is a great deal of important matter of interest to the French-speaking population that should be published in both languages.

Mr. ARCHAMBAULT (Translation): Will the hon. member allow me to ask him a question? Is he aware that previous to 1921 there was no French version?

Mr. DOUCET (Translation): Mr. Speaker, this is always the constant theme of our friends opposite. "You have sinned, we shall do likewise."

Mr. ARCHAMBAULT (Translation): I have asked you a question.

Mr. DOUCET (Translation): I am not aware whether the Commercial Intelligence Journal was printed in the French language in 1921; I am even not aware whether the English version was published at that time. However, what I do know is that since the Confederation pact. there exists a bilingual system in the administration of this country. Notwithstanding all this, to-day, there is less than 30 per cent of the blue books which are translated into French, printed and placed at the disposal of members, of business firms and the general public. I state, Mr. Speaker, that we, that feel a pride in belonging to a bilingual country, where French and English are on an equal footing in the transaction of government affairs, should insist that all official publications be printed in both languages, published and distributed, at the same time, profusely throughout the country.

Mr. VIEN (Translation): Will the hon. member allow me to ask him a question? Will he not admit that the Tory government far from helping the French publication held it back in many ways, while the Liberal government endeavours in a thousand ways to distribute the government's publications in the mother tongue of my hon. friend?

Mr. DOUCET (Translation): My hon. friend from Lotbiniere, as usual, cannot refer to the party of the official opposition without giving it the surname of Tory party. I do not recognize that party.

Mr. ARCHAMBAULT (Translation): I congratulate the hon. member for having acknowledged this.

Mr. MERCIER (Translation): Would the hon. member tell us to what party he belongs?

Mr. DOUCET (Translation): It is not necessary for me to tell my hon. friend for Westmount-St. Henri to what party I belong. If I wore the same coloured glasses he does, I would be sitting on the other side of the House; however, not wearing such glasses, I am on this side. I am one of the official opposition, but I do not claim to be a Tory.

Now, Sir, to return to the subject. I state again that the distribution of all public documents should be made in both official languages of this country. It is useless for my

French-Canadian friends on the opposite side to say: well, your party or the Tory party, in the past did not give full and entire satisfaction. I may say, Sir, that probably the Tory party, if you wish to call it so, has done as much as the Liberal party for the French-Acadian people. I will point out to the hon. member who has just interrupted me as well as the ministers who represent the government in this House, that there is at present a vacancy in the Senate for Prince Edward Island, and that the old Conservative government of Sir John A. Macdonald in 1893, chose the Hon. Joseph-Octave Arsenault to represent the island in the upper House; I would point out to him that, in 1898, after the death of the Hon. Joseph Octave Arsenault, the Liberal party, who was then at the helm of the affairs of the country, chose the Hon. John Yeo to replace the former in the Senate. From that date, the French-Acadians of Prince Edward Island, to the number of 12,000, representing one-seventh of the population, have no representative in the Senate. To-day, our friends the French-Canadians who form part of the cabinet have the privilege and a duty to perform, and I trust that it will fall to their lot to do honour to the French Acadians by appointing one of our race to represent in the Senate the French-Acadian people of Prince Edward Island.

Mr. VIEN (Translation): Will the hon. member, then, cross over to this side of the House?

Mr. DOUCET (Translation): Mr. Speaker, the hon. member for Kent, as poor as he is, is not bought for nomination.

Mr. ARCHAMBAULT (Translation): I thought the matter important.

Mr. DOUCET (Translation): When, Sir, in 1885, Sir John A. Macdonald appointed the Hon. Pascal Poirier, from Shédiac, to the Senate, we did not ask the Liberals to cross over to the other side of the House; when in 1893, the Hon. Joseph Octave Arsenault was appointed to the Senate, to represent Prince Edward Island, we did not ask the Liberals to join the government; when, in 1912, the Hon. Edward Girouard was appointed to the Senate to represent Nova Scotia, when, in 1917, the Hon. Thomas Jean Bourque was appointed to the Senate to represent New Brunswick; when the Hon. Aubin E. Arsenault was appointed a justice of Prince Edward Island, when Judge Landry was appointed to the Supreme Court of New Brunswick, no conditions were stipulated, and I contend, that one should not dare or lower himself to put such a question to a French-Acadian member who occupies a seat on the Conservative side of the House. It is an appointment to which we are entitled, it is a preferment which we are not by any means willing to relinquish, and the French-Acadian population of the Maritime provinces expect that the government, through the intermediary of the hon. Minister of Justice (Mr. Lapointe), the hon. Minister of Marine and Fisheries (Mr. Cardin), the hon. Minister of Soldiers' Re-establishment (Mr. Beland), and the hon. Minister of Customs (Mr. Bureau), see that the French-Acadian population of Prince Edward Island has its quota, and that one of the two representatives who will be appointed to the Senate, shall be a French-Acadian.

Now, Mr. Speaker, I wish to close these few remarks which I have made in my mother tongue for I have to broach some questions which have cropped up during the last twenty-four hours relative to the economic situation of the country and especially of conditions existing, to-day, in the Maritime provinces; I shall discuss these questions in English as I have to answer members who have made use of Shakespeare's language; however, before asking for the adjournment of the debate, I would like to point out to the hon. Minister of Marine and Fisheries (Mr. Cardin), who is in his seat, in case I should not have the opportunity of discussing with him his estimates, that in the course of the 1924 session, on June 17, a resolution was adopted by the committee on Marine and Fisheries: that in view of the bad weather of October, the lobster fishermen of the Northumberland strait be granted the fishing privileges for a season beginning August 6 and ending October 6, instead of August 16 to October 16. This resolution was unanimously adopted. It was transmitted by the Secretary of the committee to the hon. Minister, and the lobster fishermen of that part of the coast, believed, and had reason to believe that the regulations would be changed so as to allow them the opportunity of trapping lobster from said date. Although this resolution to amend the regulations was carried unanimously, the minister did not think proper to acquiesce to the wishes of the committee and those of the fishermen interested. I would like to point out, Sir, that it would certainly be in the interest of the fishermen of that part of the coast that they should be given at least for one year the privilege to fish ten days earlier so as to ascertain if the fishing can be carried on in a profitable way without harming the industry and, consequent-

ly, spare a great many hardships to the fishermen of that coast.

Mr. Speaker, I think I have sufficiently threshed out these questions and seeing that it is late, I shall take the liberty of moving the adjournment of the debate.

Mr. GRAHAM: Mr. Speaker, a few moments ago I believe it was arranged with the Acting Minister of Finance that the hon. member at the conclusion of his remarks in French might adjourn the debate and proceed to-morrow in English. I think that was the arrangement.

Mr. DEPUTY SPEAKER: I had not learned that the change of plans had been agreed upon by the whips.

Motion agreed to and debate adjourned.

On motion of Mr. Graham the House adjourned at 10.55 p.m.

Friday, April 3, 1925.

The House met at three o'clock.

REPORTS

First report of the select standing committee on Agriculture and Colonization—Mr. Kay.

THE BUDGET

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

The House resumed from Thursday, April 2, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. ALEXANDRE J. DOUCET (Kent, N.B.): In rising to continue this debate upon the budget as presented by the Acting Minister of Finance (Mr. Robb) I must state first that the section of the country which I represent is of the opinion that the present government has failed to economize, has not practised any retrenchment, and is guilty of wholesale extravagance in connection with the spending of the public funds of the Dominion. In order to make good this statement I have gone to the trouble of consulting some of the reports that have been laid upon the table of the House since the beginning of this session. I find that numerous commissions have been journeying from one end of the country to the other at an enormous cost to the ratepayers of Canada; furthermore, other items of expenditure are in my opinion not in keeping with such a policy of retrenchment and economy as we should put into practice in this country in the crisis through which we are now passing. Let me mention a few of the expenditure to which I have reference. We find, for example, the pulpwood commission involving the country in an expenditure of $75,672; the grain commission at a cost of $170,610; the W. T. R. Preston roving commission costing over $12,800; and an expenditure on immigration within the last two years of over $2,000,000, notwithstanding that our own people have all this while been crossing the border going to the south of us.

Mr. SPENCER: Is not the statement rather low at $2,000,000?

Mr. DOUCET: My figures are going to be conservative in the extreme; I do not propose to exaggerate on that or any other point. Then we have an expenditure on the development of a golf course at Jasper park in Alberta of $124,290 and an expenditure on a golf course at Minaki of $94,631. In addition to these sums we find that advertising by the Minister of Trade and Commerce (Mr. Low), to the effect that "Canada is coming through", has cost us practically $3,000 while advertising contracts on the part of the Minister of Agriculture (Mr. Motherwell) amount to $55,000, amongst which I find an item of some $7,000 for insect pests. On that point, the people of this country think they have sufficient pests just now without advertising any more. And when we compare the salaries and contingencies of the civil service for the fiscal year 1921-22, with those of the year 1925-26, we find an increase of $1,236,547; while, comparing the salaries and remuneration paid to deputy ministers and heads of departments between the years 1921 and 1924, we discover a further increase of $51,000. Add to all that the numerous other expenditures entailed in the Scribe hotel deal, the Union club of London, the junketing trip to Wembley, and the completion of the tower of this building, which although a manifest necessity at some time is nevertheless unwarrantable at the present moment, an item that could very well be dispensed with until later on—adding all these things together, I say, we have an expenditure of millions of dollars that could have been avoided. There seems to be no attempt on the part of this administration to curtail expenditures or to retrench and economize in any direction; and in consequence, from every section of Can-

ada from the Atlantic to the Pacific, the cry goes up of hard times. It is no wonder that the electorate are anxious that the present government should appeal to them for their judgment.

Speaking on the budget, in the session of 1924, I was told by my hon. friend from Gloucester (Mr. Robichaud) that the amendment proposed to the budget was of such a nature that it would increase the taxation of the farming and fishing population of my section of the country. I thought otherwise, and I stated at the time that the reductions on fertilizers and farming implements proposed in the budget would not benefit the farmers of the Dominion. I have before me statistics to confirm my contention at that time. These statistics are published by the Department of Agriculture and show the prices of mixed fertilizers for 1924 and 1925. I am quoting from the issues of February 7, 1924, and February 5, 1925, of Seed, Feed and Fertilizers Markets, and I am confident that no hon. member will dispute these figures for mixed fertilizers at New Brunswick points:

	1924	1925
Fertilizer, 2-10-2..	$34 00	$36 63
Fertilizer, 4-8-4..	40 70	42 09
Fertilizer, 2-8-10..	38 80	40 50
And at Quebec points—		
Nitrate of Soda	62 50	68 00
Sulphate of Ammonia..	78 00	80 00
Muriate of Potash..	39 45	45 00
Sulphate of Potash..	47 00	62 50

Then again, while the 20 per cent duty was taken off acid phosphate, the price to Nova Scotia points in 1924 was $18.50 as against $20.75 this year, or an increase of $2.25 per ton.

Now, Mr. Speaker, the farmers of this country had been led to believe that the reduction of 5 per cent in the tariff on farming implements would benefit them greatly. I have taken pains to get the price lists of farm implements from manufacturers in Quebec and from the International Harvester Company in Ontario. I will not weary the House by reading a long list, I will content myself with a comparison of 1923 and 1925 prices on six implements which practically every farmer uses. This is the list:

	1923	1925
Disc harrow, American manufacture..	$ 51 00	$ 60 00
Disc harrow, Canadian manufacture..	45 50	50 50
Disc drill, American manufacture.. ..	143 00	150 00
Five-foot mower..	92 00	93 50
Ensilage blower..	225 00	250 00
Feed cutter..	75 00	80 00

Mr. LEADER: Why does the hon. gentleman skip 1924? I would respectfully ask him to give the prices for that year.

[Mr. Doucet.]

Mr. DOUCET: If the hon. member for Portage la Prairie (Mr. Leader) had waited half a minute I would have given him a similar comparison on other implements for 1924.

Mr. LEADER: You will excuse me. I contend that that is not fair. You should give prices on the implements you have included in your 1923 and 1925 comparison.

Sir HENRY DRAYTON: You get two reductions.

Mr. DOUCET: The increase over 1923 prices on the list I have given is $52.50, or 8½ per cent on the six implements. Now, a comparison as between 1924 and 1925 prices:

	1924	1925
Manure spreader, No. 10..	$189 50	$174 50
Potato planter..	169 75	155 00
Potato digger, No. 5-B..	213 40	195 00
Milwaukee gasoline engine, 12 h.p.	659 60	650 00
Threshing outfit, No. 5	500 00	490 00
Walking plow, No. 27..	22 00	22 00
Stump puller, No. 40-A..	345 00	330 00
	$2,098 90	$2,016 50

These totals show a reduction of $82.40, or less than 4 per cent, although the 6 per cent war tax was taken off and also customs duty. Why, it is nothing new, each and every farmer who has had to buy farm implements knows perfectly well that there has not been any reduction in price compared with the remission of the war tax and the reduction of 5 per cent in the tariff.

Mr. ARCHAMBAULT: Does my hon. friend favour a reduction of duty on gasoline engines?

Mr. DOUCET: Mr. Speaker, my hon. friend from Restigouche and Madawaska (Mr. Michaud) may be experienced in gasoline engines, but I doubt whether my hon. friend from Chambly and Verchères (Mr. Archambault) would care to discuss this article of machinery just now.

Mr. MICHAUD: I beg my hon. friend's pardon, the question put by my hon. friend from Chambly and Verchères did not originate with me, because I was sure my hon. friend—

Sir HENRY DRAYTON: Order.

Mr. ARCHAMBAULT: Will my hon. friend be kind enough to give me an answer?

Mr. SPEAKER: Order.

Mr. DOUCET: Mr. Speaker, I understand that there is an arrangement between the

whips to hasten this debate, and I have given my promise to make my remarks as short as possible.

Mr. ARCHAMBAULT: It will not take long to say yes or no.

Mr. SPEAKER: Order.

Mr. DOUCET: If my hon. friend wishes to take the floor and make a speech I will defer my further remarks. Now, the hon. member for Cape Breton South and Richmond (Mr. Carroll) in the course of his address on the budget referred to the express rates upon fresh fish from the Maritime provinces to the central provinces and contended that we had not been dealt with fairly. Thereupon the hon. member for Kings, P.E.I. (Mr. Hughes) said: "Why, the hon. member does not know that the present rates are very favourable?" I felt pretty confident that the hon. member for Kings, P.E.I. must be in error, but to be absolutely certain I made inquiries. True, there has been a reduction, but the Maritime provinces are still discriminated against, for while the express rate on fresh fish from Prince Rupert to Winnipeg is $4.28 per hundred pounds, from Halifax to Winnipeg, practically the same distance, the express rate is $5.35—a difference of over $1 per 100 pounds. It is scarcely necessary to add, that those who know the codfish market of this country are aware that a cent a pound is a great deal to pay over and above the rate paid by their competitors on the Pacific coast. There has been some reduction of express rates on fresh fish from the Atlantic ports to Montreal and Toronto, but that reduction is applicable only to carload lots. Now, probably every hon. member knows that it is not often that a full carload of fresh fish can be sent from the Maritime provinces to the central markets, because those markets are not as a rule in a position to handle a full carload shipment.

There is a matter in connection with the fishing industry about which I want to say a word, particularly in view of the fact that the amendments to the excise tax as contained in the budget proposals make no reference to it. I wish to point out that while ice cream, which is not a dire necessity, is placed on the free list, and while canned vegetables and fruits, jams, jellies and marmalades are given a rate of 2½ per cent; a 5 per cent excise tax is imposed upon the products of the fish canning industries of this country. There is a 5 per cent tax on canned clams, haddock, herring, lobsters, mackerel, pilchards, salmon, oysters and quahaugs. I submit that the fish canning industries of the Maritime provinces and of the Pacific coast are entitled to better treatment from this government than the imposition of a 5 per cent excise tax when such commodities as ice cream and fancy biscuits are placed on the free list.

An hon. gentleman asked me a moment ago if I was in favour of reducing the duty on gasoline engines. I expressed my view on that subject a few days ago in this House when I voted for a reduction of customs duties on motor trucks and automobiles. I believe, Mr. Speaker, that we must have in this country a fair measure of protection, but when there is too great a spread between the cost to the manufacturer and the price to the consumer, then I think we have a right to ask for a reduction. As I say, I did vote for a reduction in the duties on motor trucks and automobiles, which are much needed in our country where we have to travel in many cases great distances from railways in order to get our produce on the market. But unfortunately very few hon. members to your right who come from the Maritime provinces, Mr. Speaker, saw fit to vote for that reduction, although on all occasions they have proclaimed themselves as extreme free traders.

The people of this country did expect from this government, and will expect from any government, that sufficient protection be given against the importations of agricultural and vegetable products from the United States which enter into direct competition with our own produce. I need not labour that point; the hon. member for Fort William and Rainy River (Mr. Manion) dealt with it yesterday afternoon. Reference to the trade statistics published under the direction of the Minister of Trade and Commerce will show that for a period of nine months in 1922 the imports of agricultural and vegetable products from the United States were valued at $53,000,000 odd; in 1923, $57,000,000 odd; in 1924, $59,000,000 odd. During the same nine months we imported fruits to the value of $19,344,000 while the export to the United States was valued at only $687,000. We find to-day that hundreds of farmers in this country are unable to market their potatoes, their potatoes are decaying in their cellars; and that unless the market is revived—and the chances are not in that direction—there will be a total loss of the potato crop of 1924 before the summer is over. No hon. member of this House, no sane man in this country, will say that the potatoes or vegetables which came into Canada from the United States in December, 1924, were early vegetables or early potatoes; yet in that month 63,444 bushels of potatoes were imported from

the United States into Canada. In that same month the exports from Canada were 22,311 bushels; and these, Mr. Speaker, were for seed purposes, I venture to say that not a bushel of that total was used for table consumption in the United States. And in the month of January of this year, while our farmers were looking north, south, east and west for markets, and while enormous quantities of potatoes were in the cellars awaiting a market, there was an importation of over 50,000 bushels of potatoes from the United States, our exports in the same period consisting of 2,197 bushels. It can be seen, Sir, what a great handicap there is in connection with the marketing of our potatoes, because the customs tariff against United States potatoes coming into this country is only something like two-thirds of the customs tariff on Canadian potatoes going across the border to the south.

Now, while I have some other figures in connection with the agricultural industry, I do not intend to labour the question very long. The value of live horses imported from the United States in the year 1924 exceeded $1,750,000, and the value of the export was $232,000. Of salt pork, a product which we can produce to advantage in this country with benefit to the whole population, the import was valued at $1,288,418 and the export at $5,377. We can produce in this country all the eggs we need for our own purposes; take away the handicap against Canadian poultry to-day and you will find that a sufficient number of farmers will go into that business to make it productive and profitable and to make it unnecessary to import foreign eggs for table use throughout Canada. Of eggs, the import in 1924 was valued at practically $2,000,000—to be precise, $1,961,477; and the export was valued at $51,898. These figures show conclusively that the agricultural population of this Dominion are not getting justice at the hands of the present government; and if future governments should do likewise I would say the same thing. With our farming population, a hardy and industrious people, engaged in mixed farming and working a very fertile soil, we should be able to provide, and we do provide, sufficient quantities of these commodities to meet the needs of our own population without having to import them from other countries, and that at a lower rate of duty than is imposed upon similar commodities going from Canada across the line.

Mr. LOVIE: In regard to the importation of live horses to which my hon. friend refers, can he say whether they were breeding stock, or what they were?

Mr. DOUCET: No, I did not go into that. With regard to the importation of horses, it struck me as rather funny, if I may use the expression, when the hon. Minister of Agriculture (Mr. Motherwell) stated in this House that people had gone from Ontario to the prairie provinces to gather together numbers of horses to be shipped to the Maritime provinces and Quebec, in that way competing with those who raise horses in the Maritimes, and that in order to supply the rest of the Dominion they were importing ten times the value of horses from American territory.

Now may I speak for a moment of conditions in the Maritimes, as far as the development of natural resources is concerned? In order to lay a foundation for the few remarks I have to make, I have simply to quote from the statement of Hon. E. H. Armstrong, Liberal premier of the province of Nova Scotia, who when presenting his case before this government said in part:

> The allied coal and steel industries of Nova Scotia have been for some years in a depressed condition. At the present time unemployment and consequent distress among those dependent upon the industries for livelihood is more serious than in any recent period.

Further on he stated:

> At no previous time has employment been so scarce and insecure, the future so unpromising, and the industrial community so discouraged as at this date. Faced with a disappearing livelihood large numbers of skilled artisans may be forced to leave Nova Scotia unless relief is forthcoming.

That was the basis of the argument which the hon. premier of the province of Nova Scotia placed before this government. He went further. In order to relieve the situation, in order to remedy existing conditions in the province of Nova Scotia, which conditions also exist, to a smaller degree in the other provinces which are directly interested in the welfare and industrial prosperity of Nova Scotia, Premier Armstrong asked for a revision of the customs tariff on iron and steel and their products, in which consideration would be given to the difficulties now hampering the steel works in Nova Scotia. His representations included the following: the lower ad valorem effect of the specific duties on semi-finished steel that has been brought about by increased selling prices; the numerous exemption clauses in the existing steel tariff; application of the higher rates of duty now provided by the customs tariff upon rolled sections and steel plates that now are admitted into Canada under the lower scale

of duty, and a provision for protection against the importation of iron and steel from countries with a depreciated currency.

Now why did Premier Armstrong ask for a revision of the duties in connection with the iron and steel industry? I find that in the year 1924 there were importations of iron and its products, including pig iron, ingots, billets, castings, forgings, steel rails, rods, farm implements, small hardware, and other machinery excluding farm machinery, to a total value of $117,291,590, and with an exportation of $5,843,758. Now all those items which I have mentioned are manufactured and produced in this Dominion. All the semi-finished products of iron and steel can be produced, and have been produced, in the steel works at Sydney, in that industry which consumes the greater portion of the output of bituminous coal of the mining sections of Cape Breton and eastern Nova Scotia. Premier Armstrong had reasons to appeal to this government for a revision of the customs duties in connection with that industry. But what did he get?

Premier Armstrong also asked for a revision of the customs duties on slack coal and bituminous run of mine coal. It is true, the budget proposes an increase of 36 cents of duty on slack bituminous coal. Dissecting that resolution to place it in concrete form, let me say that this government has increased the customs duty on 20 per cent on the imports of coal and has decreased the duty on 80 per cent of the imports. So much so, that the hon. member for Cape Breton South and Richmond (Mr. Carroll) speaking in this House a few days ago, quoted from the Ottawa Citizen statements of coal and fuel dealers in this city, who said that the tariff arrangements would not cause any hardship, and the hon. member himself stated that the householders would be benefited thereby, because run of mine coal, which is being used in the homes, is subject to a reduction of 3 cents per ton, while there is an increased duty of 36 cents on bituminous slack. Let me point out, however, that newspaper reports have given us the information that the American railways are proposing, and have made application to Washington, to have the transportation rate on bituminous slack reduced by 36 cents per ton in order to face the situation created by the budget of this Dominion. So it is evident that the slack coal industry of the Maritime provinces is not going to benefit one iota by the increase in the tariff proposals of this budget. On the other hand, it will suffer because there is a reduction in the duty on bituminous run of mine coal.

Mr. GARLAND (Bow River): Would the hon. member be good enough to tell the House what he thinks of the drawback of 99 per cent of coal imported for conversion into coke?

Mr. DOUCET: Yes; I find that tariff item 1049 provides for a withdrawal of 99 per cent customs duty on bituminous coal when imported for the purpose of manufacture into coke. The hon. member for Cape Breton South and Richmond praised the government for bringing down legislation providing means for the establishment of a coke industry in this country. Surely he did not expect us to be so gullible as that. Why, the government can bring down all the legislation they want, they can employ all the law clerks of this House or of this country to prepare legislation, but if they allow a drawback of 99 per cent of the duty on bituminous coal that is imported for the purpose of converting it into coke, I say here and now, and I defy contradiction, that the coal mines of Cape Breton are not going to supply any more coal to the central provinces for manufacture into coke.

Mr. ARCHAMBAULT: What would my hon. friend suggest as a measure of relief?

Mr. DOUCET: I am going to suggest the measure of relief I would apply to the coal situation in Cape Breton and Nova Scotia in a very few words, and when I speak of the coal situation in Nova Scotia, I am possibly in a unique position in that I did work in the coal mines of Cape Breton for some time. I have lived in the shacks spoken of by the hon. member for Southeast Grey (Miss Macphail), and I know conditions as they have been in Nova Scotia. I know what conditions must be now from the conditions that have prevailed in the last three years in the bituminous coal industry in Nova Scotia. In my opinion, the proper remedy would be to place an ad valorem or specific duty on bituminous coal of all kinds, comparable with the ad valorem duty imposed in 1907. My hon. friend knows what that means. There was a specific duty of 53 cents per ton when bituminous run of mine coal was worth $1.14 per ton. To-day that same coal is worth $3.92 per ton, and there is a specific duty of 50 cents per ton. So this government, instead of increasing the duty on bituminous run of mine coal, has actually decreased it by 3 cents a ton. That is one proposition. A second proposition would be that, instead

of allowing anthracite dust and anthracite screenings to come into this country free of customs duty for the purpose of supplying our manufacturers, the same rate of duty should be imposed against anthracite dust as against bituminous coal. Nobody can dispute that proposition. It was advocated in the brief presented by Premier Armstrong to this government, and it was emphasized by the representatives of every board of trade in the Maritime provinces who accompanied the Premier of Nova Scotia when he interviewed the cabinet. What is regarded as the only remedy for the existing situation is to place the ad valorem duty on bituminous coal on a parity with what it was in 1907 and impose a similar duty on anthracite coal dust and screenings.

Mr. ARCHAMBAULT: Would that not have the effect of increasing the price of domestic coal?

Mr. DOUCET: Anthracite coal dust and anthracite screenings are not used for domestic purposes.

Mr. PARENT: Does the hon. gentleman mean to say that there are no industries in this country that are using anthracite coal or anthracite screenings?

Mr. DOUCET: I do not. What I stated was that anthracite dust and anthracite screenings are not being used for domestic purposes—that is they are not being used in the household, they are used in industries. If my hon. friends from Ontario and Quebec expect the coal mining and allied industries of Nova Scotia to succeed they must be willing to grant a reasonable measure of protection, otherwise we cannot have conditions as they should be in this country. I will go further and say that I believe the time has arrived when, if we wish to develop an all-British-Canadian fuel policy for Canada, we should impose a reasonable customs tariff on anthracite importations from the States.

Mr. ARCHAMBAULT: On any kind of coal?

Mr. DOUCET: On any kind of anthracite coal.

Mr. ARCHAMBAULT: That is, for domestic purposes?

Mr. DOUCET: Yes.

Mr. ARCHAMBAULT: That would increase the price, would it not?

Mr. DOUCET: A large percentage of the population of the Maritime provinces do not know what anthracite coal is. They are using an excellent product; Inverness run of mine; run of mine from the Drummond collieries; and run of mine from the old Sydney collieries. These form a very good fuel indeed for domestic purposes. Now I submit that in view of the deposits of lignite and semi-anthracite that we have in this country, in view of the possibility of developing the coke industry in Canada, and in view of the fine quality of bituminous run of mine that we have in certain portions of the Maritime provinces, it is about time, if we wish to see those sections of the country prosper, that a policy should be adopted which would prevent the importation of such large quantities of coal from the United States. In 1924 the Canadian National Railways bought 11,592,362 tons of bituminous coal for that system whilst from Nova Scotia, New Brunswick and Alberta they bought the insignificant quantity—I call it insignificant as compared with the importations from the United States—of 7,914,943 tons. Think of it—seven million tons bought in Canada as compared with practically twelve million tons bought from the United States for the purpose of the Canadian National railways; and our coal miners in the Maritime provinces are only working two and three days a week! Is it any wonder that we have such conditions in Nova Scotia, conditions previously unknown in the history of the coal industry of the Maritime provinces? This large amount of coal is brought in from the United States to supplant our own products, and our coal miners are only able to get two and three days' work a week in their own collieries. I submit that the policy which I have explained would be a fair and reasonable policy to adopt if we wish this country to go ahead and prosper. Let there be a spirit of give and take in connection with this as in connection with other matters. Geographically situated as we are we must pursue policies calculated to bring prosperity to the whole country, otherwise we shall never secure that unity for which we are striving. I could go on and quote figures to show the quantity of bituminous slack, bituminous run of mine, anthracite coal and anthracite screenings imported into Canada in the year 1924. It is appalling. We are more than ever impressed with the necessity of restricting these imports when we realize the large deposits of coal which we have in the provinces of Nova Scotia, New Brunswick and Alberta and remember the fact that our coal miners are only getting such a limited amount of employment. How can conditions be other-

wise than they are when we allow foreign coal to take the place of the domestic products in the Canadian market? I conclude my remarks on the question of coal with this statement: the tariff proposals submitted by the Acting Minister of Finance, in my humble opinion, are not going to be of benefit to the bituminous coal industry of this Dominion to the extent of one iota. It is true the customs duty is increased on 20 per cent of the importations, but it is reduced in the case of 80 per cent. Furthermore the American railways will reduce their rates so as to enable the coal operators of the United States to compete with Canadian coal producers.

Mr. ARCHAMBAULT: No such thing. Is my hon. friend in a position to state that the American railways will reduce their rates? That is only rumour.

Mr. HANSON: They are going to try it.

Mr. ARCHAMBAULT: Let my hon. friend be fair and state it is only rumour and not fact.

Mr. DOUCET: The hon. member for Chambly-Vercheres knows I am always fair.

Mr. ARCHAMBAULT: I know that, but I want you to continue to be fair.

Mr. DOUCET: When I state that the American railways are making application to Washington for authority to reduce the transportation rates on coal I state what is contained in the press reports, and therefore I am on pretty safe ground. Not only is the coal industry in the Maritime provinces suffering from the budget reductions of last year, but the steel industry has practically been put out of business for a period of eight months. In proof of that statement I need only quote from the monthly report of the production of iron and steel in Canada issued in January, 1925, and published by authority of Hon. Thomas A. Low, Minister of Trade and Commerce—surely that should be sufficient authority for the statement. In that report I read that the production of iron—basic, foundry and malleable—in blast furnaces in Canada in the year 1923 was over 880,000 tons; in the year 1924 the production was 593,024 tons of iron. The total steel ingots and steel castings production for 1923 was 884,770 and for the year 1924 it was 650,690 tons. This will give the House an idea of the reduction of production in the steel industry of this Dominion, which reduction was practically all in that section of the steel works of Sydney. There are fifteen blast furnaces in Canada, and in the month of January there were three of them in operation. This statement is prepared by the Statistical branch of the Department of Trade and Commerce. In resuming, speaking of the United States trade, this report says:

> In the United States the month of January showed the greatest production since March, 1924, and marked an increase of about twelve per cent over December, which in turn showed an increase over November of fourteen per cent. The average daily production was 108,621 tons, an increase of 13,082 tons per day over December. For the third consecutive month the net gain in active furnaces was twenty-three—

That is twenty-three new furnaces went into operation in the United States—

> —making a total of one hundred and seven new furnaces blown in since—

Mark the words—

> —since the upward trend started in July last.

Just corresponding with the date that the reductions in the customs duties were made applicable to the semi-finished products of iron and steel coming from the steel plants of the United States.

I do not intend to delay the House this afternoon in connection with the railways, but I see that there has been a reduction of 5,938 railway employees between the years 1923 and 1924. Those are figures given by returns to the House, as hon. gentlemen will find in Hansard of this year, page 1288. I should like to ask the Minister of Railways how many of those were officials. I suppose he would answer that it is not in the public interest of the railways to give that information. Every time in the last two sessions that we have asked for information in connection with officials, knowing as we did that they are constantly adding high-salaried officials to the staff of the Canadian National Railways while at the same time decreasing the number of employees among those who were in overalls, we have been met with the answer that it is not in the public interest that that information be given to the country. Why not? Do the government or the railways fear that if they give the salary of one man as $25,000 the Canadian Pacific Railway or the American railways would come in and try to get him, at an increase in salary? I doubt if any American railways would dream of offering any increase in the present salaries of the officials, because they are getting the highest salaries going. Were I to speak further on the railway question as it affects the Maritime provinces, I would only have to quote a speech made in this House in the dying days of the session of 1921, which hon. members will find at page 4561 of the revised Hansard, when the hon.

4 p.m.

member for Westmoreland (Mr. Copp), the present Secretary of State, spoke and covered some few pages of Hansard, dealing with conditions of the railways in the Maritime provinces, and after having quoted those remarks I would say "amen," and would state that every word uttered by him was applicable to-day. My hon. friend is a member of the government to-day. Why can he not have those grievances remedied? In those days he spoke loudly and at length from every housetop, I might say, stating that the best men were taken away from the city of Moncton and transported to Toronto. It is true that in those days a few officials or heads of departments were transferred from Moncton to Toronto, at an increase of salary. They were being given a promotion, and while we regretted that they sent some of our best talent to Toronto, we gloried in the fact that our loss was their gain, and that while they were leaving the Maritimes, they were going to a place where they were getting larger and better remuneration. What do we find to-day? In the spring of 1923 the present board removed from Moncton 450 odd families of men receiving from $95 to $130 a month. They were packed up bag and baggage and sent to the city of Montreal on the plea of economy, with what result? Men who had their homes in the city of Moncton, and who had everything that was near and dear to them in the Maritime provinces had to go to Montreal or hand in their resignation or be dismissed. With what result? They had hardly been there five weeks when the reclassification of office employees in those offices was made, and men who had left headquarters at Moncton in the Maritime provinces where they were receiving a salary of $130 a month, are working to-day for $95 a month or a reduction of about $35 a month. Those are the conditions put into effect by the new railway board. Some of them did not accept the reclassification, left the railway and are pursuing other occupations in the Maritime provinces and some in the territory to the south of us.

During the course of this debate it has been stated that a large population has been immigrating to this country from the country to the south of us. I have statistics which I have taken from the Veteran, from an article headed "Bread and butter versus patriotism". I do not propose to read this article, but I want to quote figures taken from reliable sources to show that while the total immigration from European countries and the United States in the eight months ending August 31, 1924 was 100,599, during the same period, according to United States figures, 115,042 Canadians left this country to go to the country to the south of us. We have Canadian figures which show that 23,861 Canadians, in five months, April, May, June, July and August, returned from the United States to live in this country. What do the American figures show. Instead of 23,861, we find the American figures are 1,128, and those figures, Mr. Speaker, are pretty nearly correct. There is not a member in this House who knows of any large influx of people from the United States; and the great majority, unfortunately, of those who have come back are men who were compelled to come back, and who are back in this country in a worse condition to-day than they were when they left Canada three or four years ago. They left the country within the last three years after selling all their household goods, their farming implements and their live stock and they went to the United States to spend those proceeds along with the earnings they made in that country; and now they are returning to us to-day in a poorer condition financially than when they left. Fortunately, the number is not as large as the statistics of this department show.

Before I conclude I have a few words to say regarding the conditions that exist to-day in the mining sections of eastern Nova Scotia and I believe I have laid the groundwork for a satisfactory discussion of this question. Indeed, I am no stranger to that part of the country. The hon. member for Southeast Grey (Miss Macphail) was chastised in this House because as an outsider she went down to the province of Nova Scotia and after an investigation dared to report conditions as she found them there. I was born in that province; I worked in the coal mines of Cape Breton and lived amongst the miners of that section; I also worked in the steel works at Sydney. So that I know all about Dominion Iron & Steel, about Besco, and about all the other matters that are mentioned in that connection; and when I undertake to reply to the hon. member for Lunenburg (Mr. Duff) I do not think that any hon. gentleman will accuse me of saying anything detrimental to the province of Nova Scotia. Why, it was on February 24 last that the Minister of Labour himself (Mr. Murdock) told us in this House that Cape Breton was suffering from a canker; the Minister of Labour, who is always gesticulating on questions of this kind, described that part of the Dominion as a canker. But what did he do to relieve the situation? All he was prepared to do was to feed the suffering people bit by bit with the British

North America Act. Well, there are very bad conditions in that section of Nova Scotia to-day, and while it is true that we Nova Scotians are a proud people I would remind the House that hunger knows no pride. And when people see thousands of young ones at the point of starvation it is only right that the facts should be placed before the people of this country so that some relief may be obtained. The hon. member for Southeast Grey was rather rebuked because she ventured to report upon conditions as she found them. I do not say, that she adopted the best possible course; but with the sympathy characteristic of her sex she determined, on reading the reports in the press, to look into the conditions for herself. And from the statements that have been made by some of the highest authorities in the Maritime provinces I believe that the hon. member's report is altogether according to the facts. The Roman Catholic Bishop of Antigonish, the Rev. Dr. John Morrison, on March 15 last issued an appeal to his people for relief for the suffering children of Cape Breton island and vicinity; Archbishop Worrell, of Halifax, also made an appeal on March 23; and the Sydney Ministerial Association, representing several protestant denominations of Nova Scotia, appealed similarly on March 22. So that my hon. friend from Southeast Grey is in very good company. A Canadian press despatch of March 26 reads:

> In the Glace Bay and Dominion No. 6 areas, 2,727 families representing approximately 13,000 people were supplied with food to-day. This represents about 40 per cent of the distribution for the whole district.

Then we have an appeal from Rev. Dr. John MacIntosh, a gentleman whom I know well, the Moderator of the Presbyterian Synod of the Maritime provinces. He says:

> The Presbyterian people have always been noted for their readiness to hear the cry of the destitute in any land, and I am sure they will not turn a deaf ear to the cry of their fellow citizens, especially of women and children, when the appeal is made to them.

Of course Dr. MacIntosh had not read the speech of the hon. member for Lunenburg when he said that. There is also a report from Miss S. Gold, social service worker for the Canadian Brotherhood of Railway Employees; after a personal tour of investigation she reported on conditions on March 29. There is also a report from the Central Relief committee of Glace Bay as follows:

> We greatly appreciate the generosity of the Canadian public, and on behalf of the poverty-stricken women and children hope for its continuance. Cash contributions for the purchase of foodstuffs are of paramount importance.—(Signed) Rev. M. A. MacAdam, P.P.; Rev. A. M. McLeod, Glace Bay Relief Committee.—Canadian Press Despatch, March 26.

These are the authorities on the situation that exists in Glace Bay and in the mining districts generally, and in view of the reports that we have had from them all I think it hardly becomes the hon. member for Lunenburg to criticize those who are applying for relief throughout the Dominion in behalf of these suffering people. It is enough to make one's heart bleed to know that there may be in that part of the country someone near and dear to him at the point of starvation. When, therefore, kind-hearted workers ask for relief they should be given something more than the British North America Act and statistics; certainly they should not be castigated on the floor of this House by an hon. member who knows no more about Glace Bay than I know about astronomy. Why did not the government and our friends opposite call upon the members representing that section of the country, who are thoroughly conversant with the facts as they exist, to reply to the hon. member for Southeast Grey, if they thought that her report of conditions down there was not altogether correct? They did not do that because they knew that those hon. members would not stoop to give anything but the facts; and they know that the facts as reported by the hon. member are absolutely correct, notwithstanding anything the hon. member for Lunenburg may say. The hon. member (Mr. Duff) in the course of his speech told his own leader the Prime Minister (Mr. Mackenzie King) that he had no business to contribute $100 to the relief of the poor in Glace Bay, and he informed the people of Ontario generally and the citizens of Ottawa that it was just as well for them to mind their own business; they had no right to interfere with affairs down there. And while the hon. gentleman was speaking thus to the House we find the central relief committee expressing the fear that unless they could get help from outside thousands upon thousands of young children would starve. Immediately, Mr. Speaker, the report was broadcast throughout that section by the Canadian Press that the hon. member for Lunenburg (Mr. Duff) had stated on the floor of this House that conditions, while not ideal, were not very much worse than they were in the larger cities of the Dominion, the chairman and secretary of the Central Relief committee of the Glace Bay district Rev. M. A. MacAdam, parish priest, and Rev. A. M. McLeod, Presbyterian clergyman, of the town of Glace Bay—by the way every time the

hon. member for Lunenburg mentioned Glace Bay he called it the "city" of Glace Bay; in Cape Breton we are proud to call it "the biggest town in Canada," for it has the largest population of any of our incorporated towns—immediately, I say, the chairman and secretary of the Central Relief committee sent this message:

Only relief from outside sources will save thousands of our Cape Breton people who are in dire need and on the verge of starvation. Far from resenting outside assistance, we appeal for it and hope it will be speedily given us by a generous Canadian people. We would welcome unbiased investigators to visit us and ascertain for themselves.

That is a direct answer to the remarks made by the hon. member for Lunenburg. True, he represents a constituency on the western shores of Nova Scotia, it is a west-shore constituency and he is not conversant with conditions in the mining section as are the hon. members for Cumberland (Mr. Logan), Inverness (Mr. Chisholm), Cape Breton North and Victoria (Mr. Kelly), Cape Breton South and Richmond (Mr. Carroll and Mr. Kyte), and the hon. Minister of National Defence (Mr. Macdonald). I have another telegram dated Halifax, April 2, and received last night:

Respectfully suggest that you refute statements made by Nova Scotia member yesterday regarding conditions in colliery towns. Had it not been for outside relief during the past three weeks hundreds would have died of starvation.

Now, the conditions are such that even if an amicable agreement is reached it will be some time before those in distress will be able to dispense with outside relief. I have not spoken of the trouble betwen the miners and Besco. I have worked with the miners and for the company, and I could say something very illuminating on both sides of the case, but I will not enter upon the merits now. Let us hope that the parties will come to an amicable agreement. But in the meantime there are thousands of people in that district in great need of relief, and let not the remarks of the hon. member for Lunenburg prevent any charitably inclined citizens from sending whatever measure of relief they can afford to give to the distressed population. It must not be forgotten that for the last three years the coal miners of that section have worked only two and three days a week. My hon. friend from Lunenburg may say: "Oh, if my people were getting the same wages as the coal miners, they would own their homes and have bank accounts." Yes, I admit the wage is satisfactory for six days a week, but when the miners have to feed and clothe their families for the whole week on what they earn during the two or three days they are at work, their remuneration is a very small pittance indeed.

I submit, Mr. Speaker, that we should send relief, and I think this government, which has been so generous in the past in assisting the people of Japan, China and other countries by substantial grants of money, might very well do something for the relief of suffering Canadians. I go further, Sir. Some of the people in that section are placing the blame on the government. I admit at once that they do not blame the government for the trouble between Besco and the miners. I think this parliament acted wisely in refusing to grant a charter to the British Empire Steel Corporation. Everyone knows that the corporation secured its charter from the legislature of Nova Scotia. I do not propose to discuss the charter, but I do say that the policy of this government in reducing the customs tariff on the iron and steel produced in the steel works at Sydney, which industry consumes the greater portion of the bituminous coal mined in the Cape Breton section, have placed the coal operators under a serious handicap, for without the markets, the coal areas cannot be developed and the miners cannot be given steady employment. Hence we have the condition of uncertain employment. In view of those facts, I submit that the government would be well advised to make a reasonable contribution to the relief fund to tide over the people until such time as a satisfactory arrangement may be arrived at between the coal miners and the British Empire Steel Corporation.

In conclusion, Mr. Speaker, let me say that we require more protection for the industries of the Maritime provinces, and that to this end there must be effected a readjustment of the duties on bituminous run of mine coal, and that the budget resolution for the drawback of 99 per cent duty on bituminous coal imported for coke making should be withdrawn, otherwise what little benefit is given by the increased duty on slack coal will be entirely wiped out. Given proper protection this industry would prosper. In the industrial sections of Nova Scotia there is a population of about 250,000 people, and I venture to say that if they were working six days a week at a satisfactory wage you would have a contented people—a people be it remembered, composed of the descendants of those highland Scotch, of those who came from Green Erin, of the descendants of the United Empire Loyalists, and, last but not least, of the descendants of that great tragedy of 1755.

Mr. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, before broaching the subject matter of the budget, I want to congratulate the hon. member who has just taken his seat (Mr. Doucet) for his magnificent address in favour of our beautiful French language. He graciously offers us his generous co-operation and I extend to him my compliments. I am not one of those who think that the French language has received all the honours which are due to it, however, it pleases me to note, as the hon. member for Kent has stated himself, that under the present government there has been a great improvement toward giving to the French language a more conspicuous place in the affairs of the country. We have not completed the task, but we shall continue to work together to claim our rights, and before long, under the realm of justice of which we can now boast, we shall receive, I am well confident, full and entire satisfaction.

My hon. friend introduced some spice in his speech, but this must not astonish us; our good friends should not have quarreled with him, for, after all, he belongs to the Tory party, although he refuses to recognize the name; we, therefore, could not expect that he would express himself otherwise. The records of history have been handed down to us, and for a reason; we should draw beneficial lessons from them. Let us not forget, however, that although we must be firm and tenacious in our claims, we must act in a decent manner, without having recourse to vulgar expedient; which simply means that we must be dignified, in words as well as in deeds, and justice and common sense will end by exerting their beneficent influence.

With reference to the budget as brought down, the hon. Acting Minister of Finance (Mr. Robb) is entitled to our most sincere congratulations. We awaited this budget with some feeling of anxiety, as we feared that the reductions which were adopted last session, regarding the tariff on raw materials and the sale tax on products of first necessity, would show a great decrease in the revenues of the country. Fortunately, however, this reduction which favoured the masses, was not an impediment to the success of the country's administration.

The revenues, this year, are somewhat smaller; but this decrease was partly compensated by the economy applied to the expenditure, without, however, being detrimental to the development of our young country. It is with a feeling of joy and confidence that we learned from the hon. Acting Minister of Finance, that the budget of this year showed a favourable balance of $1,832,000 over the cost of the administration.

Since the outset of this debate certain criticisms were made by the loyal opposition, but they were not of a serious nature. Consequently, the government should not pay any more attention to them than it is necessary; but it should continue its ascending march in the path of progress and good feeling, a path which it has always followed since it has been at the helm of the affairs of this country. We might, perhaps, take our good friends the Conservatives more seriously, if we had not seen them at work from 1911 to 1921. How can they decently preach economy, knowing that during their administration, they had ruined the country, and what is worse destroyed the good feeling which existed between the races and classes of the Canadian community? We can recall that in 1911, when they assumed power, our fair Canada enjoyed great prosperity and we were happy and content to live on its soil; however, after a few years of their regime, we were thrown into the greatest distress. Our debt increased considerably, deficits followed favourable balances which we had under the wise administration of our great leader, Sir Wilfrid Laurier, and, the unavoidable consequence was that very heavy taxes were levied on the people to meet the obligations incurred and provide for the present needs of the country. Nobody was spared, if we except a few large profiteers who were friends of the government. We were living in a peaceful quietude, but war broke out and spread terror and desolation in our homes. More than that, under the cloak of false patriotism, these good Tories found means, to satisfy their destructive designs, of awakening certain prejudices almost extinct, under the previous Liberal government; only a few of these petty factions remained and their days were numbered; ridicule and their insignificance would have in the end made them entirely disappear to the great satisfaction of everybody.

I do not wish, Mr. Speaker, to criticize the expenditure which the war was responsible for, but I cannot help telling them, together with Sir Arthur Currie and Mr. Beatty, the president of the Canadian Pacific Railway, that they showed poor judgment. The 100,000 conscripts that they sent overseas, to help the cause of the allies, should have never left this country. It was a useless expense, but I may add very useful from the viewpoint of our over-zealous Imperialists whose sole ambition was to enrich themselves and to insult those who differed from their views. That was part of their work. I could

continue and give further instances, but I shall not do so; these recollections are too heart-breaking to all Canadians who love their country and wish to see it rich and prosperous. All countries have had their period of greatness and downfall, of prosperity and depression, and for us Canadians, from 1911 to 1921, was the most depressing period of our history. The great culprits are those who, to-day, are bold enough to rise and blame the government for not having practised economy. Hon. gentlemen, of the opposition, should not delude themselves into thinking that the public gulp these things down! You may drag your hearse across the whole country, even through Montreal with the Hon. Monty and company, the people are wise as to your frankness and sincerity and they have not forgotten your great success in the administration of public affairs.

Coming back to the budget speech itself, it is pleasing to note that the country, under the wise administration of the present government is from year to year making rapid progress. Our trade, this year, with the other nations, once more attests a favourable balance of $263,414,526. With the British Empire, we can show a favourable balance of $243,000,000. It is only with the United States that the trade balance is against us. However, every year, this adverse balance is getting smaller, and we can hope that before long we shall also have with them a favourable trade balance, notwithstanding their high protective tariff.

What a joke it is to contend that upholding that high protective tariff is the salvation of the country. I think it is more a clever trick to fool the workman by promising them that protection will give them employment, with more remunerative salaries. Never in the history of our country were the workmen happier and more prosperous than under the Laurier-Fielding tariff, which was not a high protective tariff, but one for revenue only. I admit, however, that there are industries which need some protection, but this protection must not hinder competition which is necessary to maintain the quality of the products and fair prices for the consumer.

The depression which, at present, exists in a few of our industries, is not caused by the lack of protection, but rather by the unbounded ambition of some manufacturers who wish to make too great a profit, and this without any compensation to the workman whom they intentionally allow to suffer to satisfy their greed for gold. Take, for instance, the manufacturer of boots and shoes. I do not accuse them all as I know there are a great number who are satisfied with the present conditions. For the past year, these manufacturers are carrying on an active campaign, in the press of the country, against the government, blaming it for not giving them more protection and state that their industry is being ruined.

If we look up the official figures supplied by the Trade and Commerce Statistical Bureau, we see that in 1924, the imports on boots and shoes amounted to $2,174,023, or 1,043,262 pairs; in 1923, the imports amounted to $1,740,351 or 704,762 pairs; in 1922, $1,670,858; but in 1921, under the administration of our good friends on the opposite side of the House, the imports amounted to $2,993,730, consequently $819,708 more than in 1924. It is only within the last year that our manufacturers complain. Do you not think, Sir, that they had far more reason to complain in 1921 than to-day? It is the change of government, which, I believe, is the cause of their complaints. Any reason will do, what they are after, is the government's scalps, to satisfy their political ambition.

I shall give you further figures: In 1924, $64,061,148 worth of boots and shoes were produced in this country or 32,204,943 pairs; in 1923, $60,484,449 or 29,271,133 pairs. You will note that, in 1924, more boots and shoes were manufactured than in 1923. I could give you the figures for 1922, but I think that the House is quite satisfied that the manufacturers of boots and shoes show bad faith, and I shall try to prove it now by their exports. In 1924, they exported for $2,283,609 worth of goods; in 1923 for $1,513,046; in 1922, for $1,009,198; in 1921, for $3,993,730. By comparing the imports with the exports, we find that, in 1924, they had a favourable balance of $109,586; in 1923, an adverse balance of $227,305; in 1922, also an adverse balance of $661,640; but in 1921, the last year of the Conservative government, they had a favourable balance of $62,563. This balance was not, however, as high as that of the year 1924 which, as I have just stated, was $109,586, or a difference of $47,023.

This only goes to show that these gentlemen are greedy and the more we shall feed them, the more their stomach will call for food which they hope to get through protection. However, I see that the government is not disposed to supply this food; and with reason, it rather prefers to help the consumers. There are other industries whose conditions are identical to those of the boot and shoe manufacture, and who claim a higher protective tariff, but I shall not

enumerate them as I do not wish to impose on the good nature of the House. Before closing my remarks, I should like to give a few advices of a nature to ease the task of the government in regard to the decreasing of the administration cost. I trust that they will be well received.

What I would recommend to the government is not the reduction of the parliamentary indemnity, such as was moved by a few hon. members of this House, because the indemnity we receive is certainly not too high for a member who attends regularly the sittings of the House, and who is not content with only putting in an appearance when large interests are involved or threatened; but what I would like to see is the abolishing of the Civil Service Commission which, each year, costs the country the nice sum of $194,580.40, an amount which would help to pay the yearly deficits of our National railways and merchant marine. It is well to observe, by the way, that the government has reduced the cost of that service by more than $100,000 since the year 1921-22. Neither do I wish to criticize the commissioners for their work; but looking at it from the point of view of usefulness, I state that this commission is a luxury that the country is unable to put up with. Moreover, no proof exists that, since the establishment of the commission, the service in the various departments has been more efficient and that the country has benefited proportionately to the cost of this commission. It perhaps served a purpose, under the previous government, owing to their incompetence and the habit contracted of indulging in patronage, however, under the present government which includes the best men of the country, it serves no purpose.

Another matter to which my attention was drawn in the budget, is the duty being levied on electric power. I am very conservative so far as our natural resources are concerned, but not in politics. I should like to see them developed for the benefit of our people only, and utilized on Canadian soil so as to feed our present-day industries and those that might come later on to establish themselves in this country. However, I do not find fault with this imposing of a duty, but I should not like to see this privilege to export power prolonged more than one year. Further, I do not want to see these companies export power to the detriment of the Canadian consumer by demanding from the latter a higher price per horse-power, as this is happening in the country, at present. I hope the government will take the necessary measures to prevent these companies from exploiting the Canadian consumer for the benefit of foreigners who come and take our electric power to meet the requirements of their industries.

I shall close my remarks, Mr. Speaker, by assuring the government of my entire confidence in them, if they continue, as they have done heretofore, to govern the country, first for the people and lastly for the magnates. Let us help our farmers, our producers and our consumers by lowering the cost of raw material, let us facilitate the marketing of their products by giving them a fair transportation tariff, let us try to create new markets, and I feel confident that in following that policy we shall all be happy and content with living on the sacred soil of Canada.

Mr. HANCE J. LOGAN (Cumberland): On the 12th June last, this House expressed a desire, concurred in by leading members of all parties that the trade and other relations between Canada and the West Indies and other southern countries, should be investigated. On the 26th November an order in council was passed appointing me as a commissioner to proceed to the West Indies and other islands and lands in and about the Caribbean sea. In a letter from the Prime Minister I was also instructed as follows:

> My colleagues and I would be pleased if you would convey to the governors and people of Bermuda, the British West Indies and British Guiana, a warm message of good-will and interest from the government and people of the Dominion of Canada. Would you kindly convey to the governments of the various Islands and of British Guiana, the cordial invitation of the Canadian government to attend a joint conference to be held at Ottawa in the spring of 1925, at a definite date to be agreed upon mutually, for the purpose of negotiating and concluding a new trade and transportation agreement between our respective countries. All further details of representation, scope of the conference, financial arrangements, etc., will be taken up by our officials upon intimation of the decision of the governments of Bermuda, the British West Indies and British Guiana, in this matter.
>
> Will you kindly express to the various governments mentioned the sincere desire of the Canadian government that they may be able to co-operate with us in the manner suggested, and our assurance of a cordial reception to their delegates in this country.

After conferring with a number of boards of trade, West Indian merchants and firms in several cities and towns, I proceeded from Halifax on the 14th December last. Owing to most tempestuous weather, I met with a severe accident on board ship, which caused a delay of several days at Hamilton, Bermuda. In the eleven weeks I was away from Canada, I travelled by sea and land over ten thousand miles; was thirty-nine days at sea; visited seventeen countries, under eight different flags; met with the governing bodies; addressed the

chambers of commerce, boards of trade, planters' and agricultural societies; and had an opportunity of discussing in private and public with legislators and other leading men in all walks of life in all these different lands. I was met with enthusiasm everywhere, and found a keen desire wherever I went for greater trade between our country and theirs. I also found, not only in foreign republics, but throughout the British West Indies, that, particularly since the war, the American nation has been making a determined drive to capture trade with these tropical countries. Everywhere I found American consular agents, vice-consuls and other representatives of the United States, all of whom are really trade agents, housed in splendid offices with efficient secretarial and other clerical staffs. I also found American commercial travellers hustling for trade. But in all the vast domain, where the total population amounts to some fourteen millions of people, and where the trade of the countries visited amounts to three hundred and seventy five millions of dollars annually—outside of Cuba, which has a vast trade, particularly with the United States of America—I found only two trade commissioners of Canada, each with a staff of one person, I met only two Canadian commercial travellers!

Let me give, in as few words as possible, a description of the countries I visited in company with Lieut.-Colonel Brown of the Canadian National Railways' staff as transportation adviser and Mr. H. C. Crowell, of Halifax, secretary, who were with me throughout the whole trip; and Mr. D. H. Ross, of the Trade and Commerce department, who was with me during part of the trip. We first visited Bermuda, which has been well-named the gem of the Atlantic ocean. The area of Bermuda is nineteen square miles, and the population 20,410. The imports and exports for the year 1923 were:

	Imports 1923 pounds sterling	Exports 1923 pounds sterling
Canada	239,048	40,160
United Kingdom	708,413	450
United States	913,576	125,035
Other countries	21,364	328,155
Total	1,882,401	493,800

The principal articles imported are flour, oats—of which nearly 200,000 bushels last year came from Canada,—bran, hay,—of which about fifty thousand dollars' worth was from Canada,—lumber, principally from the United States; potatoes, ten thousand barrels from Canada and three thousand one hundred barrels from the United States; and whisky, 25,873 gallons from Canada, and from other countries 269,393 gallons.

In regard to exports to Canada, the figure is not large, being valued at about forty thousand pounds for the year 1923, of which something under four thousand pounds in value was produce or manufactures of the colony, the bulk being onions. Until very recently, nearly all the onions raised in Bermuda went to the United States; but now that that country has placed a heavy duty on onions, there should be large increases to the Canadian market.

The harbour of Hamilton, the capital of Bermuda, is small, but it has deep water and is well sheltered. It is approached by a long winding channel, which has docking space for three good-sized ships, along a straight quay wall. The passenger traffic in and out of Bermuda is very large, and, contrary to what is generally thought, it is fairly well sustained throughout the year. According to tourist statistics of the island in 1923, the following were the number of tourists monthly:

January	2,239
February	3,273
March	3,758
April	2,613
May	524
June	1,262
July	1,697
August	2,524
September	2,206
October	2,315
November	2,097
December	2,253
Total for 1923	26,761

In fact, Bermuda's prosperity depends almost entirely upon the tourist traffic, and every possible facility is provided to assist and encourage it. There is no doubt that if there were proper passenger steamers plying between Canada and Bermuda, a large part of the tourist traffic from this country, which at the present generally goes via New York, would be diverted to Canadian ports.

While I was on the island I was honoured with a seat in the legislature beside the Speaker; and among the items of expenditure which were passed was one for about $121,000 as a subsidy to a line from New York, while no subsidy is paid to any line to Canada. I think it is one of the duties of Canada as a British country, to endeavour to counteract, as far as possible, the American influence, which is very apparent to anyone visiting the island. Upon arrival, we were welcomed by a large delegation, among them being the Mayor of Hamilton, the President of the Chamber of Commerce, the Chairman of the

Bermuda Development Board, and a number of other prominent citizens. During my stay, I had an opportunity of addressing many of the members of the Chamber of Commerce and the Bermuda Development Board. While the American influence, as I have said, is very strong, I am happy to say we have a number of very staunch friends in this island who desire better trade relations with Canada.

We arrived at the island of St. Christopher —better known as St. Kitts—on January 4. This island is in a group known as the Leeward Islands, which are divided between the British, French, Dutch and United States governments. The principal islands under British control are St. Christopher, Nevis, Antigua, Dominica and Montserrat. These form a crown colony under one Governor. The seat of government is St. Johns, Antigua; the other sections being governed by administrators subordinate to the Governor. There is also a General Legislative Council, composed of sixteen members appointed by the Governor. St. Christopher has an area of 68 square miles, and a population of 31,000. The principal port is Basseterre, with a population of about 10,000. The total trade for 1921 amounted to approximately $3,500,000. The principal exports are sugar, sea-island cotton, limes, tobacco and cocoa; but the largest export to Canada is sugar. There is one mill with an annual output of about 12,000 tons. St. Kitts and Antigua are ideal winter resorts. The weather is much warmer than in Bermuda. The islands are rich in historical lore, particularly Nevis, which is very near to St. Kitts. It was on this island—Nevis—that Captain Nelson, afterwards the great admiral of the British fleet was married.

The ship dropped anchor in the harbour of Basseterre at 8.30 a.m., and the Acting Administrator the Hon. H. M. Wigley came on board. During the day a meeting was held in the town, which I addressed. I met most of the leading men of the island, among them being Dr. Aitken, a brother of Lord Beaverbrook. The response to my address was delivered in a very eloquent manner, by Mr. P. Marshall, a clever coloured member of the Legislative and Executive Councils. A number of other leading men took part in the following discussion, including the president of the Agricultural Society. All of them strongly recommended the promotion of closer trade relations with Canada and the acceptance of Canada's invitation to a conference at Ottawa.

On January 5, we arrived in Antigua, and were met by a large delegation of prominent citizens, who extended a very cordial welcome. Antigua has an area of 108 square miles and a population of about 30,000. The principal port is St. Johns, with a population of about 8,000. The total trade of this island in 1921 was about $3,000,000. It is estimated that the sugar production of Antigua this year will amount to about 15,000 tons. In the days of Nelson, English harbour on this island was the largest and best equipped naval dock in the West Indies. It was here that Nelson refitted his fleet before starting on the cruise that ended with the battle of Trafalgar. A great need of Antigua, as well as St. Kitts, is better hotel accommodation; and it was urged at the meetings which I addressed that, in connection with steamship service, there might be combined a plan or a system of building bungalow hotels. A resolution urging the acceptance of the Leeward Islands of our invitation.

Dominica has an area of 291 square miles and a population of 38,000. The imports of this island in 1922 were valued at about $800,000, and the exports at nearly the same amount.

Montserrat has an area of 32½ square miles, with a population of 12,000. The principal town and port is Plymouth. The peculiarity of the people of this island is that while they are nearly all coloured, they speak with a decided Irish accent. Many years ago, an Irish regiment was stationed on this island. The principal products of Montserrat are sea-island cotton, limes, and lime juice.

From the point of view of natural beauty, the Leeward Islands are delightful. Their soils are fertile; and there can be no doubt that, with the expenditure of money, their resources could be developed and great prosperity brought to their peoples.

The next port of call of the steamer after leaving Antigua was Martinique, an island thoroughly French. It has a population of about 250,000 people, and is probably one of the most prosperous places I had the opportunity of visiting. Through the good offices of the Royal Bank at Fort-de-France, the capital of the island, I was able to meet several of the prominent citizens. Most of the textiles of the island are imported from France; but there is an opening for Canadian manufactures, and particularly flour, lumber and fertilizers. Their total imports of flour last year amounted to about 72,000 barrels, and of fertilizers about 100,000 tons. All of these fertilizers were secured from the west coast of South America.

Guadeloupe is another important French island. I did not have an opportunity to visit it; but I was informed that the prospects there of trade with Canada are good. The island has an area of 688 square miles, and a population of 229,000. I strongly recommend that there should be appointed a French-speaking Canadian trade agent to represent us in Martinique, Guadeloupe and Haiti where the people, with few exceptions, speak only French.

The Republic of Haiti has a population of over two millions of people. The soil is very fertile. Although I did not visit Haiti, I was informed by the inspector of the Royal Bank agencies in the West Indies, who had recently spent a considerable time there, that in his opinion the opportunities for increased trade with Canada were greater in that republic than in any other part of the West Indies; and I was assured by a Haitian representative whom I had the pleasure of meeting that there is a very keen desire in Haiti for better trade relations with Canada, and to that end he urged that they should be given a French-speaking Canadian trade agent, as all of the two millions of inhabitants speak French, and very few speak English.

We arrived at Bridgetown, Barbados, on the morning of January 7, and were met by a representative delegation consisting of governmental officials, business men, agriculturists and others. In Bridgetown, on January 8, I addressed a very large and enthusiastic joint meeting of the Chamber of Commerce, the Agricultural Society and planters, at which a resolution was passed with great enthusiasm, accepting the invitation of the Canadian government to a new conference. Barbados has an area of 166 square miles, nearly all of which is under cultivation. The population of the island is approximately 160,000. Its imports in 1923 amounted in value to about twelve and a half millions of dollars, of which three millions represented imports from Canada. Its exports in that year were about nine million dollars' worth, of which nearly seven million dollars' worth were to Canada. The exports of Barbados are almost entirely sugar and molasses. Canada is by far the best customer in molasses. In 1923 we took 4,752,120 gallons out of a total exportation of 6,359,158. Of sugar they exported to us 32,316 tons, out of a total export of 49,060. The average exportation for ten years, 1914 to 1923 inclusive, was 41,507 tons. The principal articles imported from Canada by Barbados are: cattle food, oil meal, bran, sulphate of ammonia, butter, cheese, salted fish, grain, oats, flour,; salted beef and pork; lumber, spruce and shingles. The total value of imports from Canada in 1923 was about two and a half million dollars. The imports of flour from Canada are evidently decreasing. In 1920 their value was approximately $1,400,000; in 1921 about one million dollars; in 1922 about $750,000; and in 1923 they had fallen to $600,000.

Passenger traffic from Canada to Barbados is very small, in spite of the fact that the island's climatic conditions make it a most wonderful health resort. A criticism of the people of Barbados as well as of other West Indian islands, is their lack of effort to advertise the beauties and attractions of the various islands. The type of tourist these islands need is not, I submit, the American "tripper," who remains for only a few days; but people who will make their homes in these wonderful sun-kissed lands during the winter months at least, and get to know the people, and to admire the islands so that they will return there year after year. A serious complaint was made by the people of Barbados that we had closed our Canadian trade agency in that island, and that they have no one on the spot to confer with officially in reference to Canadian matters. I was very much impressed with the productivity of this, the most easterly of the West Indian islands. It is composed of a limestone and coral formation; and unlike many of the other islands, has no volcanic characteristics. There are about four hundred miles of excellent motor roads, which being built of white coral are particularly free from mud and also produce very little dust.

The hospitality of the people of Barbados is well known, and the beauty of their homes is unexcelled. In no other part of the world will you find so many of the old planters' houses, many of them filled with beautiful antique mahogany furniture, homes maintained with all the style and ceremony of the old slavery days. Barbados is a little country of quiet dignity and refinement, and it possesses during most of the year a climate which is probably unsurpassed.

The Windward Islands constitute one crown colony, consisting of St. Lucia, St. Vincent and Grenada, with a small group of islands known as the Grenadines. There is one government for the entire group, the seat of government being at St. George, Grenada. The total area of these islands is about five hundred square miles, and the population about 165,000. The imports in 1923 amounted in value to about $3,200,000, and the exports to about $2,600,000.

On the morning of January 9th we arrived at Tobago, a dependency of the island of Trinidad, and were greeted by a reception com-

mittee which came out to the ship. I went ashore and met a number of prominent citizens, who keenly desire closer relations with Canada. We arrived at Port of Spain, the capital of Trinidad, the evening of that day, January 9, and were received by a large and very influential delegation, which came out to the ship—anchored two miles from the shore—and extended a warm welcome from the government and the people of Trinidad. On the following morning, January 10, I had an informal discussion with a committee composed of the Trinidad Chamber of Commerce, the Agricultural Society, and Sir S. Davson, president of the Associated Boards of Trade of the British West Indies, who stopped over on his way from Georgetown, to England. This was really a round table discussion, to formulate a programme of activities when I should return to Trinidad from British Guiana.

We arrived at Georgetown, the capital of British Guiana; otherwise known as Demerara, on the morning of January 13th, and were met by a deputation consisting of representatives of the government and leading business men, including Sir Alfred Sherlock and other prominent citizens of the capital. On the 14th a large meeting of the combined commercial and industrial interests of the colony was held, the meeting being presided over by the governor, Sir Graeme Thompson. I addressed this meeting, and extended the invitation of our government, which was received with great enthusiasm. That evening a banquet was given by the Georgetown Chamber of Commerce, at which over one hundred were present. Inspiring addresses were made. Canada has a warm place in the hearts of British Guiana. It is one of the most important of the British colonies. The area is 89,480 square miles, and the population nearly 300,000. The capital, as I have said, is Georgetown, with a population of 56,000. The imports in 1922 amounted in value to over $11,000,000; the exports to over $13,000,000. Canada is British Guiana's second best customer, her exports in 1922 to the Dominion being to the value of $5,029,143, and to the United Kingdom $5,722,675. Her imports are chiefly butter and cheese, coal, machinery, and implements, and fish—dried and pickled—grain and flour. The value of flour imported from Canada for the year ended December 31st, 1923, was $1,174,762. She also imports condensed milk, pork, hams, bacon, potatoes, tobacco and woollens.

The colony is on the northeast coast of South America, contiguous to French Guiana and Dutch Guiana. It was settled by the Dutch, who certainly picked out a country much like their homeland. Georgetown and the surrounding plantations lie some four feet below sea level, the country being protected for miles by strong sea walls and dykes. Sugar is the staple product of the colony, the annual output being around 85,000 tons. The area under cultivation of sugar is 50,000 acres. This area could, however, be greatly increased. In fact, I was informed by a reliable authority that the colony could easily produce two million tons of sugar annually, if they had sufficient market.

The colony has wonderful rivers, waterfalls, in the interior, fertile farms and grazing lands; also minerals, including diamonds. The diamond production last year was about $5,000,000. I heard in this colony also the complaint that they have no resident trade commissioner from Canada. I would recommend that such a commissioner be appointed, and that he be given jurisdiction over the French and Dutch Guianas as well.

On January 16 I arrived back at Port of Spain, Trinidad, which is the great big island on the west of the Caribbean sea. It possesses wonderful resources of various kinds, including cocoa lands, sugar cane plantations, vast cocoanut groves, oil wells and asphalt. The latter is procured from Pitch lake, where there seems to be an everlasting supply. Practically the world's supply of oil tar or asphalt has come from this lake in the past fifty years. The lake is about 114 acres in extent; but although millions of tons have been extracted, it is now only fourteen feet below its original level. The pitch is taken or mined from the lake by hand, workmen merely using ordinary picks and shovels to break it in pieces. The cavity formed during the day, disappears during the night. The annual output amounts to something like two hundred thousand tons. None of this asphalt is shipped direct to Canada.

The area of Trinidad, including its dependency of Tobago, is 1,976 square miles, and the population is 365,913. The population of the capital, Port of Spain, a wonderful and beautiful city, is 61,531. The imports of the island in 1923 were in value over twenty million dollars, of which over four millions were from Canada and about five millions from the United States. The exports in that year were over $23,000,000 worth, the amount to Canada being about $1,500,000. In 1923, the principal articles of import into Trinidad from Canada and the United States were; butter, cheese, fish—dried or salted—bran, corn meal, oats, flour, salt beef and pork, bacon, condensed milk, vegetables—dried and canned—fresh vegetables, potatoes, onions, and lumber.

On January 20 I addressed the Chamber of Commerce at Port of Spain. The meeting was a very large one. A strong resolution that the invitation of this government should be accepted was carried unanimously. On this island I visited several sugar plantations, and mills, among them being that situated at Usine Ste. Madeleine, where there are 22,000 acres under cane cultivation and 15,000 people employed. I also had the great privilege of visiting the city of San Fernandez, and seeing some of the results of the great work done by the Rev. Kenneth J. Grant, the devout Canadian who served thirty-seven years of his life as a missionary among the East India people of Trinidad. I am firmly convinced that the trade with Trinidad can be very materially increased. We are fortunate in having on this island as Canadian Trade Commissioner Mr. H. R. Poussette, who has lately moved into a suite of offices that do credit to our country.

On January 25 I sailed from Port of Spain on the Royal Dutch Mail Line Steamer Venezuela, for Venezuela, Colombia and Panama, en route to Jamaica. We arrived at the port of La Guayra on January 27, and a representative of the Venezuelan government immediately boarded the ship and accorded a very enthusiastic welcome. We proceeded to Caracas, the capital of the republic, which is a wonderful city, situated in the mountains and with a population of over one hundred thousand people. I had a conference with the Foreign Minister and other representatives of the government, the acting British Minister being the interpreter. I extended the greetings and felicitations of our government, which were reciprocated by the Foreign minister. I was very agreeably surprised by the expression of a very great desire for increased trade with Canada. The members of the government, as well as other leading men whom I met in Venezuela, complained that we had no resident representative of Canada in the whole republic, and also complained of the lack of steamship service, which compels them to transport their goods through American ports. As a matter of fact, in the trade returns of Venezuela, there is no mention made of Canada, although the republic consumed last year 128,000 barrels of Canadian flour, all shipped from the port of New York and treated by the Venezuelan customs authorities as American goods. The customs and shipping regulations are very strict. Many fines are imposed and at times goods have been confiscated. Before visiting that country, I had been frequently told that trade could not be carried on successfully with Venezuela on account of the customs officials. I took this matter up with the acting British minister at Caracas, and was informed that if shippers would observe the customs regulations properly no trouble would be met with from the Venezuelan customs authorities. In fact, he had decided, after investigation of complaints that had been made to him by British exporters to Venezuela, in favour of the Venezuelan customs authorities.

There is certainly a great need in this republic of a Spanish-speaking Canadian trade agent. It is a republic of great prosperity and of wonderful possibilities. There is in progress road building, principally cement, to the extent of many millions of dollars, which will reach all important trade centres of the country. The Maracaibo district, in the western part of the republic, is experiencing one of the world's greatest developments in oil, and the government derive from this oil development a very large amount of money in royalties.

I was surprised to find in Caracas that the business of the Royal Bank of Canada in that city requires a staff of over thirty people. Venezuela offers an excellent opportunity for the sale of Canadian products, expecially in such lines as flour, cement, spirits, cotton cloth, automobiles, and so forth: The population of the republic is 2,800,000. La Guayra is one of the most important harbours. The docking facilities are owned by an English company known as the La Guayra Harbour Corporation. The docks are well and substantially built, and the warehousing facilities are excellent. Cargo is transported to Caracas from La Guayra by a narrow-gauge railway—owned by the same interests owning the docks—and also by motor lorries over a wonderful cement highway.

The total trade of the republic is about sixty millions. Last year there was purchased from several countries as follows:

British Empire (except Canada)	$ 7,158,079
United States	$13,953,451
France	1,714,353
Holland	1,562,858
Spain	1,027,779
Germany	2,613,892

The next call of the Dutch liner was at Puerto Cabello, but we remained there only a few hours. Next to Le Guayra, this is the most important harbour in Venezuela. There is a splendid land-locked harbour, an excellent quay and good warehouse facilities. It is the sea port for Valencia and other large cities in the interior. The population is about twenty thousand people. Among the industries is a large abattoir owned by Vestey & Company, which is an English concern. I called upon the British consul and also upon

the Mission school being carried on by very zealous and earnest people from the city of Toronto.

While Venezuela trade returns show practically no trade or business being done with Canada, owing to our goods being shipped via New York, the figures published by the Canadian Department of Trade and Commerce for the fiscal year ended March 31st, 1924, show Canada's total trade with Venezuela to have been worth $1,044,388. Among our exports as set forth in our trade returns are flour, whisky, cotton, duck, wall paper, farm implements, automobiles—value $70,594—copper wire and calcium carbide, 4,519 cwt.; while our imports from Venezuela were principally cocoa (raw), and coffee (green). I have no doubt whatever that great expansion of trade is awaiting Canada as soon as proper steamship communication is provided. To give an example of what can be done, in the flour trade alone, it is interesting to note the extraordinary advance Canada has made in the last three years. The exports of flour from Canada to Venezuela have been as follows:

	Barrels
In 1921..	15,772
In 1922..	66,378
In 1923..	106,256
In 1924..	128,684

This is largely the result of keen work on the part of the flour milling companies. I suggest that their example might very well be followed by a large number of other manufacturing concerns in Canada. The Venezuelan tariff is an equal tariff to the whole world's with the exception of the West India Islands, whose goods are subject to thirty per cent extra charge.

From Puerto Cabello we proceeded to the Dutch island of Curacoa, about 110 miles north of Venezuela. Curacoa's chief claim to importance is the fact that it is the principal distributing port for a large part of Venezuela known as Maracaibo, where, as I mentioned before, there is being carried on one of the world's greatest oil developments. Another important fact regarding Curacoa is that it possesses a wonderful harbour at Willemstad, the capital, while the gulf of Maracaibo and lake Maracaibo are too shallow to permit the passage of vessels of more than twelve feet draft. At Curacoa I conferred with the governor of the colony, also the British consul, manager of Maduro's Bank, the most important financial institution in the colony; with the president of the Chamber of Commerce, with Mr. M. F. Saunders, a Canadian, assistant manager of the Royal Dutch Shell oil refinery, situated on the island—which turns out about thirty thousands barrels of oil per day—and with other prominent citizens. The harbour at Willemstad is one of the greatest ports in the whole West Indies. The total trade of Curacoa for 1923 amounted to $19,000,000, and in 1924 it had increased to $30,000,000. The imports, which amounted in 1924 to about $18,000,000 are credited in the Curacoa trade returns as coming from a large number of countries: for instance, from England to the value of $532,430; from France, $120,600; from the Netherlands, $1,967,200; from the United States, $2,681,600; but, unfortunately, from Canada according to these returns the imports amounted to only $200.

In the island are wonderful deposits of phosphate of lime. The output is about one hundred thousand tons annually, shipped principally to Germany, England and Sweden, for fertilizing purposes. The island last year imported flour to the amount of 2,684 metric tons, or, roughly speaking, 27,000 barrels. Corn meal for the same year was imported to the extent of 3,693 metric tons. Practically all the flour and corn meal comes from the United States. The only brand of flour I discovered made in Canada was known as "Olympic," exported by the Quaker Oats Company. The United States also supplies boots and shoes, groceries, hardware and so forth.

The customs duties of Curaco would not be complained of, even by our friends, the Progressives. The ad valorem duty is 3 per cent. There are some specific duties but none runs higher than 15 per cent.

From Curacoa we proceeded to Puerto Colombia, which is the seaport of Barranquilla, a city of about seventy thousand people, and which is the distributing point for the western part of the Republic of Colombia. There is a concrete pier at Puerto Colombia which is over four thousand feet in length. At the end of this pier there is berthing accommodation for four large or six small steamers. Cargoes are landed direct to railway trucks and shipped to Barranquilla.

Barranquilla, from a commercial point of view, is without doubt a very important city, by virtue of the fact that it is the distributing point for the traffic of the Magdalene river, which penetrates the interior for one thousand miles, but which is too shallow below Barranquilla to permit of navigation, although the river is navigable for shallow-draft steamers for about seven hundred miles above Barranquilla, with the exception of a few short

rapids, where railway lines have been built for transferring cargo. The goods are transported from Puerto Colombia to Barranquilla by a railway eighteen miles in length. This railway and the long concrete pier at Puerto Colombia are owned by a British concern. At Barranquilla we were received by the governor and the British consul, and other prominent citizens. We visited the points of interest, including a fairly large flour mill managed by a Canadian who is using some Canadian wheat and would use more if direct transportation from Canada were provided. The necessity was strongly urged for the call of Canadian boats at Puerto Colombia.

From Puerto Colombia the ship proceeded to Cartagena, a city of sixty thousand people, and with one of the finest natural harbours in the world. I was received by a delegation from the Chamber of Commerce, and by representatives of the president of the republic, as well as by the governor of the Province. Afterwards, I held a conference with the governor and the ex-governor and a number of other prominent men of the city, who expressed a very keen desire for increased trade with Canada. I was much impressed with Colombia. In the first place, it is a land with constitutional and stable government, and with a kindly feeling for any country that is British. In a speech delivered by the governor at a large luncheon given by him, he referred with evident delight to the fact that in the war for independence and for freedom from Spanish rule, their great liberator, Bolivar, was assisted by British forces. Development of the country is rapidly progressing. Railways are being built, canals extended, shipping facilities improved, and oil and other mineral fields are being developed. The Standard Oil interests are commencing the construction of four hundred miles of pipe line from the interior to Cartagena. At Cartagena there is berthing space for three or four good-sized ships and the depth of water is sufficient for the largest liners. At the time we were there, the big steamship Tuscania of the Anchor-Donaldson line was lying alongside.

The total trade of Colombia amounts to about one hundred million dollars annually. Canada's trade with this republic for the year ended March 31, 1924, amounted in value to $750,000, made up of: imports $480,000 and exports $240,000. The principal exports from Canada were aluminum, cement, cotton, duck, flour—2,568 barrels—structural steel, automobiles, tires, and wall paper.

The imports from Colombia consisted of bananas—8,378 stems,—coffee (green)—2,397,102 pounds,—coffee n.o.p. 13,484 pounds; and miscellaneous in value, $3,066,000.

The commercial conditions of Colombia are good, and a substantial increase should be effected in our trade with that country, with proper transportation facilities, representation by a trade commissioner, and a greater effort made to place Canadian goods on that market.

From Cartagena the ship proceeded to Cristobal and Colon, at the mouth of the Panama canal. I went next day to the city of Panama, on the Pacific coast, a distance of forty-two miles, and called upon the British ambassador to the Republic of Panama. Through him, a conference was arranged with the Minister for Foreign Affairs. The following day, in company with the British minister and the Minister of Foreign Affairs, I was received at the palace by the President of the Republic, a very bright and active young man who spoke excellent English. He expressed delight with the greetings which I carried to him on behalf of Canada. Both the President and the Minister of Foreign Affairs, and other representative men whom I met, expressed a keen desire for increased trade with this country, among the requirements of their importations particularly mentioning flour and fish. While in Panama I met some representative citizens from the Republic of Costa Rica, who pointed out the opportunities for Canadian trade with that country, which is one of the most prosperous of the Central American republics.

Among the ships I saw passing through the Panama canal was a Canadian Government Merchant Marine boat on her way from Halifax to Vancouver.

After returning to Colon and Cristobal, I proceeded to Jamaica on one of the boats of the Elders and Fyffe's line. In Jamaica I found a great deal of dissatisfaction with the way in which Canada has dealt with that country since the holding of the Canadian West Indian Conference in 1920. A claim is made that we have not carried out in good faith the terms of the treaty, particularly in reference to steamship service and cold storage facilities. They claim also that, while they were taking large quantities of Canadian goods, particularly flour, we were importing from the United States our tropical fruits, particularly bananas. Last year we purchased two thousand stems of bananas from Jamaica, and from the United States two million stems.

I spent some days conferring with prominent men of the island, both white and coloured; and, with the Governor-General, Sir Samuel

Wilson spoke at the opening of their Agricultural exhibition. The day following I was tendered a luncheon under the auspices of the Chamber of Commerce, presided over by the Governor-General. More than two hundred of the leading men from different parts of the island were present. I appealed to them as fellow Britishers, and pointed out that, as we had fought together in the Great war to preserve our empire, we should not be quarreling over small matters, such disagreements being generally due to misunderstandings which could be removed by friendly negotiations. At the conclusion of my remarks the Duke of Athol, who is developing a great sugar industry on the island with British capital, made a splendid speech, pointing out that greater trade with Canada would tend to empire-building as much as if the trade were with the Mother Country. A motion was made to accept the invitation of our government, which was enthusiastically and unanimously carried. And I am very glad to say that subsequently the Legislature of the island with but one dissenting voice voted $4,500 for the conference expenses.

Jamaica is the largest of the British West India islands, and the third largest of all the islands of the West Indies, having an area of four thousand four hundred and fifty square miles, and a population of well on to the million mark. Its imports in 1922 amounted to 4,835,393 pounds sterling, made up as follows:

United States..	2,209,774
United Kingdom..	1,373,252
Canada..	647,943
Other countries..	604,424

The island is a veritable tropical paradise, The heat in the lowlands is intense; but, on account of the mountainous character of the country, temperate zones are quickly reached. In a very short time one may travel by motor from the extreme heat of the lowlands, with their jungles and tropical vegetation, to an altitude where it is cool and at night almost cold. The possibilities of the island, particularly in the production of fruit, are enormous. But in some lines production has decreased, largely on account of lack of a steady market. However, I believe the conditions are now improved. Last year about 300,000 barrels of flour were imported, of which Canada supplied 202,048 barrels. The exportations of bananas from the island in 1923 were:

To the United States..	9,680,000 stems
To the United Kingdom..	2,758,205 stems
To Canada..	1,923 stems
To other countries..	4,562 stems

In sugar, 15,667 tons were exported in 1923 to Canada, 6,805 tons to the United Kingdom and 2,660 tons to other countries. These figures are for the calendar year.

The spread of prices from the producer to the consumer of fruit is startling. While I was in Jamaica, bananas were selling at about one-half a cent each. You know what we pay in Canada.

We consume in Canada about 18,000,000 pounds of grape fruit annually, nearly all of which comes from the United States. The price paid to the producer for grape fruit, of excellent quality and delicious flavour, in Jamaica is about two and a half cents for each grape fruit. In the leading hotels of Canada thirty cents—and in some cases not far away thirty-five cents—is being charged for one-half of a grape fruit.

From Jamaica we proceeded to Santiago de Cuba. The Republic of Cuba has an area of 44,164 square miles, with a population of about three millions, of whom 800,000 are coloured. The staple products are sugar and tobacco. It is the largest sugar-producing country in the world. The sugar crop in 1922-23 was 3,601,056 tons. The total area of the sugar plantations is 1,384,812 acres, and in 1923 there were 125 sugar mills in operation. The trade of the country amounts to nearly one billion dollars. Of course, the largest trade is with the United States, with which they have a preferential tariff—reciprocal—of 20 per cent, but the imports from countries other than the United States amount to over $100,000,000 annually. Their imports consist largely of foodstuffs. I remained in Santiago only from noon until the following morning. In that time I was able, through introductions by the manager of the Royal Bank, to discuss trade matters with some leading citizens. There were two complaints made by the people: first, a lack of sufficient steamship communication with Canada, and the fact that there is no one there to officially represent Canada in trade matters. I believe there are great possibilities for increased trade with Santiago de Cuba with its wonderful harbour, but there should be located there a Spanish-speaking trade commissioner, who would look after the eastern part of the island of Cuba. Pickford and Black boats call at this port.

From Santiago de Cuba we proceeded across the island by rail five hundred miles to Havana. Everywhere the land is fertile and the people seem to be prosperous. At Havana, which is a city of about 400,000 people, through the British minister, I held an interview with the Minister for Foreign Affairs, and also had an audience with the president, both of whom expressed warm friendship for Canada.

The consuming possibilities of Cuba are startling. For instance, they import a million dozens of eggs per month. The imports of potatoes for 1923 were valued at $5,482,283. Codfish was imported in 1923 to the value of $2,102,059; wheat flour $8,514,785; and condensed milk to the extent of fifty million pounds. Both cheese and eggs find a ready import market in Cuba, but Canada's share is entirely negligible, and practically all the eggs come from the United States. Salted pork, lard, ham and preserved meats, are imported from the United States to the value of about $5,000,000 per annum. Some Canadian hay comes to Havana by the steamers that bring potatoes. We have now one steamer sailing direct from Canada to Havana, and are able to underquote the United States price for hay by about three dollars per ton. Their present prices are from $25 to $27 per ton. Havana imports about 10,000 bales per month. I cannot too strongly urge the immediate appointment of a first-class trade commissioner at Havana, and there should be more frequent steamship communication between our ports and that city as well as other Cuban ports.

While in Havana I was given a luncheon by the Canadian Bankers, and a dinner at the British Legation; and I was able to confer with many leading importers and exporters.

From Cuba I proceeded to Key West and to Miami, and from Miami to Nassau in the Bahamas, where the steamer arrived on the morning of February 21st. The Bahamas are not of very great importance from a trade standpoint; and, like Bermuda, the American influence is very strong. Great attention is paid to the tourist traffic. The government has invested over $2,000,000 in the new Colonial hotel, which is managed and controlled by the Munson Steamship line. I was given a luncheon by the Governor, at which were present the Colonial Secretary, the Speaker of the Assembly, the manager of the Royal Bank, and others; and I was afterwards entertained at Government house and by the Hon. Harcourt Malcolm, who was one of the representatives of the Bahamas at the Canada West India Conference of 1920. I left Nassau, en route to Ottawa, on the 23rd, of February.

I regret I was not able to visit Haiti, the Dominican Republic and Porto Rico. From information which I have secured, I think it very important that we should have steamship communication with both the Republic of Haiti and the Dominican Republic. From the latter last year our imports of sugar were very large, but we sold them very little in return. We should have a Spanish speaking agent to officially represent Canada in trade matters. Haiti has a total population of over two millions, and the Dominican Republic a population of nearly one million. Haiti buys from the United States goods to the value of over $10,000,000 per year, but the amount purchased from Canada is almost negligible. In 1922 there entered and cleared at the port of Port-au-Prince 251 steam vessels. The imports into this republic from the United States amounted to $6,480,105; from the United Kingdom $2,085,055; but Canada is not mentioned in the Haitian trade returns. The chief imports are cotton goods, iron and steel manufactures, foodstuffs to the value of $4,336,201; machinery, oils, hides. The principal exports are: sugar, to the value of $9,192,172, a considerable portion of which went to Canada; cacao (cocoa) $3 054,071. In 1922, 741 steamers with a total tonnage of 911,596 tons (with cargo) entered in the foreign trade of this republic.

In view of our need of cheaper tropical fruits, and our desire to obtain them from countries under our flag, I beg to recommend that we go a long way in removing customs duties on such fruits coming from these British lands and entering Canada through Canadian seaports. There would be a loss of revenue, but a great blessing should come to the consumers of our country, and the revenues of our transportation systems both by sea and land would be greatly augmented. In fact, such an arrangement should, to a considerable extent, lessen the deficits of our national ships and railways.

I mentioned at the outset, Mr. Speaker, the invitations which I carried from the Prime Minister of this country to attend a conference in Ottawa this spring. I am very glad to say that official acceptances have been received from all with the exception of the Bahamas. And as acceptance has been recommended to the legislature of that colony, which is now in session, by the governor, no doubt a delegate will be appointed within a few days.

There is no doubt that among the requests which will be made by the delegates, will be the abolition of the Dutch standard sugar test, which in the whole world is now retained only by Canada—and Turkey. It is based upon the sugar colour, as established annually by the vision of certain men in Rotterdam, Holland. Among other things, the color standard tends to the importation into Canada from these British West Indies of a deteriorated quality of sugar. I saw, in one of the largest sugar mills, a sugar being produced of beautiful pure crystals, but which actually had to undergo a colouring process in order

to comply with the Dutch standard. I found, however, that the sugar producers are very reasonable. They realize the importance of the refining industry in Canada, and I do not think they would seriously object to a reasonable standard established by the polariscope test, which is both scientific and certain; but they do object most strenuously to a standard which depends upon the eyesight of any individual. If the Dutch standard has been abolished in such countries as Great Britain and the United States, why should Canada retain it—along with Turkey?

The two greatest needs to build up a great trade between our country and the British West Indies and other lands in and about the Caribbean sea, are efficient trade commissioners and better transportation facilities not only for freight but for passengers as well. Canadians rarely visit these wonderful countries, and their people rarely come to Canada. We should know each other better, and in the British lands pursue a common policy of trading within the empire.

In reference to trade commissioners, I beg to recommend that we establish agencies at Bermuda and in all the islands and other lands in and around the Caribbean Sea. I further recommend that in countries such as Martinique, Guadeloupe and Haiti, where only French is spoken, the agent should be a French-speaking Canadian; and that in lands such as Venezuela, Colombia, Panama, Costa Rica and the Dominican Republic as well as Santiago de Cuba, where only Spanish is spoken, the agents should be Spanish-speaking Canadians.

But probably the biggest of all questions is that of transportation. It is admitted by everybody that the present service is unsatisfactory, especially in the combined passenger and freight service to Jamaica. The routes were established and the ships made to suit the treaty. They are not proper freight boats, the passenger accommodation is very meagre, and there is a serious loss in operation. As a matter of fact, I think the annual loss to the Canadian government in operation of this service is in the vicinity of $465,000 and we are continually breaking the terms of the treaty. We agreed to give a fortnightly service. We do not pretend to give more than a three weekly service, and we have not provided, or tried to provide, cold storage.

No new treaty will be possible unless the delegates are assured the above conditions are to be greatly improved. They will ask for a fortnightly service the year round for first-class ships from St. John and Halifax via the eastern group to Demerara and return, and also a fortnightly service of the same class of ships from Montreal in summer and Halifax and St. John in winter, sailing to the western group, to Jamaica. This will mean the provision of at least six new ships —as well as a side service from Jamaica to British Honduras. These ships should have accommodation for 100 first-class, 30 second-class and 100 third-class, as well as deck passengers, also the most modern equipment for the handling of freight and cold storage for fruit. They should have a sea speed capable of being developed to at least sixteen knots.

There are two ways of providing this service by our government: by contracting with a private shipping company, or with the Canadian Government Merchant Marine Corporation.

The Royal Mail Steam Packet Company has tendered to put four new motor ships on the eastern group service for ten years at a subsidy which amounts to about $534,000 per year, and to maintain a fortnightly service between Halifax and St. John and Demerara. It may be presumed, if they were to tender for the western service, without considering South American ports, they would require an additional $300,000 annually. In other words, we would be called upon to pay subsidies amounting to $834,000 per year to a private company. We could hardly expect the British West Indies, British Guiana and British Honduras to contribute more than $200,000 of this amount annually, which would mean even if that amount were contributed there would have to be paid out of the Treasury of Canada, $634,000 per year. At the end of ten years we would have paid the private company, $6,340,000, and the company would own the ships, and all we would have to show would be subsidy receipts.

But suppose we should augment the present Canadian Government Merchant Marine West Indian fleet by the building of six ships, which, I am assured by those competent to know, would be quite sufficient—if the speed I have mentioned were provided—to serve both the eastern and western services, as well as calling at ports along the northern republics of South America. It is estimated they would cost $7,800,000, and would depreciate in value not over 50 per cent in ten years. If the British West Indies would provide an annual contribution of $200,000, we would have $2,000,000 paid to Canada in the ten years. We would therefore be out of pocket $5,800,000, but we would own the ships, which would be worth $3,900,000 making our total loss, even if the ships did not make any oper-

ating profit, $1,900,000, or $4,440,000 less than if we subsidize a private company. I believe that with the improved trade that is bound to come between Canada and these southern lands, thereby creating new shipping business, we soon would have large profits in operation. Personally I am of the opinion, if the Canadian Government Merchant Marine abandoned every other route on every other sea, the business with the West Indies should be carried on by it, in co-operation with the Canadian National Railways. Incidentally I would recommend that the name Canadian Government Merchant Marine be changed to the Canadian National Steamship Company.

The greatest opposition to the idea of operating this southern service by the Canadian Government Merchant Marine comes from Halifax and St. John. This arises from the fear that they would not have the same frequency of sailings as they have now between these ports and the West Indies. I submit, however, a scheme can be worked out by which the Maritime ports will receive a service far superior to anything they have ever had and that a great improvement would also be given to the St. Lawrence river route, and at the same time, traffic would be provided for the Canadian National Railways, which, we know, is seriously needed to cut down the tremendous deficits.

The proposition is that instead of employing five ships on two separate and distinct runs in two separate and distinct services, six ships be employed, which would make a complete circuit of the West Indies and the northern republics of South America, the ships to sail from Canada weekly and alternate the route. That is to say, in one week this service would be by the eastern group to Demerara, returning via northern South America, Jamaica, Haiti, Cuba and Nassau. The following week the voyage would be via the western route to Nassau, Haiti, Cuba, Jamaica, northern South America, returning via the eastern group. In winter the ships would sail weekly from Halifax and St. John and would alternate between these two ports and Montreal in summer. For instance, a ship would leave Halifax and St. John and proceed via the Leeward and Windward Islands, Barbados and Trinidad, to Demeara. On her return she would call at Trinidad, La Guaya (Venezuela), Curacoa, a port in Colombia, Jamaica, a Cuban and a Haitian port, Nassau, and thence to Montreal.

The week after the above sailing from Halifax and St. John, a ship would leave Montreal taking cargo now being handled by the Canadian Forester and the Canadian Fisher, and proceed, calling at Charlottetown, P.E.I., through the strait of Canso and on by the western group and the South American ports to Demerara, returning via Trinidad, Barbados and the Leeward and Windward Islands, and thence, not back to Montreal, but to St. John and Halifax. The next voyage a week later would start from Halifax and St. John finishing at Montreal, and the next from Montreal finishing at St. John and Halifax This would give a fortnightly service from Halifax and St. John and the same from Montreal, but it would also give a weekly service from Canada.

In the winter, sailings would be the same as in the summer, except that all the sailings would be from Halifax and St. John, thereby giving them a weekly service for the winter months, not only to the points reached now by the present service, but to countries where most important business only awaits direct transportation. The ships would have to be of at least 5,000 or 6,000 gross tons, and be built not only for freight, but for proper passenger accommodation. It may be pointed out that the entire traffic to and from Maritime ports could be handled over the lines of the Canadian National Railways.

This service would mean, first, a weekly passenger and freight service from Canada to all the West Indies and lands in and about the Caribbean sea, from Maritime province ports during the winter time, and a fortnightly service to all these countries from Montreal, Halifax and St. John in summer.

Countries situate on the southern side of the circle where ships would cross, would have a very frequent service, as they could go to or from Canada in either direction. It would give inter-communication between the eastern and western groups of the West Indies, where there is none at present.

A service by which a person could sail from a Canadian port and encircle the Caribbean sea calling at so many intensely interesting and historic places and return to Canada without changing ships would soon become one of the most popular tourist routes in the world.

The present Canadian Government Merchant Marine freight service, from Canada to Demerara, would still be maintained as there would be more tonnage coming north than the fast ships could handle, and if the Royal Mail Steam Packet Company should maintain their freight service, the people of the eastern group would have a weekly service, and even better if the Canadian Pacific Railway does not withdraw from that route.

If the service were performed by the Canadian Government Merchant Marine,

the new ships would be built in Canada and the crews employed would be Canadians, whereas, any private company would, in all probability, build their ships in England, or, as recently happened in an English company, in Germany where the cost of production is now very low. The present Royal Mail Steam Packet Company's ships, with the exception of the ship's surgeons, are not manned by Canadians.

Before closing this report, may I refer to the importation of bananas direct to Canada? In 1924 we imported 2,429,656 stems, practically all from the United States. Of these, 1,867,266 stems came into Canada between May and October inclusive. This is a part of the year when the port of Montreal is open, and of course the ports of Halifax and St. John in the east, and Vancouver and other Pacific ports in the west, are open the year round. Vancouver would be the logical distributing point for bananas used west of Winnipeg, while Montreal in the summer months would distribute as far west as, and including, that city. It would not cost more to distribute to central Canada and the middle west through Montreal and Vancouver than it does now from New York and a port on the Pacific. I am making this statement in view of the fact that the request may be made at the conference that there should be a customs duty of say fifty cents a stem imposed on bananas coming from the United States, while West Indian bananas should come in free of duty.

Let me say in conclusion, after my extensive travels and careful investigation, having endeavored to secure my information from the most reliable sources, I am more than ever convinced that in trade with these southern lands lies Canada's opportunity.

It means extensive and ever increasing markets for the products of our soil and our manufacturers, and a reduction in the cost of tropical products to the consumers of Canada.

We have one advantage in that the banks of Canada have blazed the trail. I submit it is up to us to follow.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS—SECOND READINGS

Bill No. 40, respecting the Ottawa Electric Railway Company.—Mr. Chevrier.

Bill No. 42, to amend the Toronto Harbour Commissioners Act, 1911.—Mr. Church.

MARCONI WIRELESS TELEGRAPH COMPANY OF CANADA

Mr. PIERRE F. CASGRAIN (Charlevoix-Montmorency) moved the second reading of Bill No. 21, respecting the Marconi Wireless Telegraph Company.

Mr. W. A. BOYS (South Simoce): I want to say that I am in no sense sponsor for this bill, but a friend of mine in Ottawa a solicitor, met me yesterday and asked me if I would do what I could to see that the bill was referred to the Private Bills committee. I asked him for a typewritten statement of the purposes and objects of the bill which he gave me and which I now have. I have since referred to the bill and I can see no reason whatever why it should not receive a second reading and be referred to the Private Bills committee. I might briefly refer to the clauses.

The first clause only proposes to change the name of the Marconi Wireless Telegraph Company of Canada, Limited, to the Canadian Marconi Company; its purpose is only to shorten the name. The object of the second clause is to confirm a by-law which received the assent of the shareholders and which reduces the par value of the shares from $2.50 to $1, the capital stock being maintained at the former figure. The third clause repeals the former clauses seven and eleven and as far as I can see the only change of consequence takes place in clause eleven where, under the former section, by-laws dealing with increasing or reducing the capital stock of the company required two-thirds of the value of the subscribed capital represented, whereas the clause that is new requires two-thirds of the votes cast at the meeting. The fourth clause of the bill permits the company to engage in a wireless or other system of telephony as well as in the work they are now engaged in. I cannot see how there can be much objection to the bill from anybody; it apparently deals almost entirely with internal management. Even if there were any objections they can all be threshed out in the usual way before the Private Bills committee where we can hear representatives of the company and those opposed to the bill, if any. In the absence of the sponsor of the bill I will move its second reading.

Motion agreed to and bill read the second time.

KNIGHTS OF PYTHIAS OF CANADA

Mr. FRED W. BOWEN (Durham, for Mr. Maybee) moved the second reading of bill No. 38, to incorporate the Knights of Pythias of Canada.

Mr. ROBB: Explain.

Sir HENRY DRAYTON: I have not studied the bill but apparently it is one which has for its object the incorporation of the Knights of Pythias, embodying most of the usual fraternal society provisions. Apparently from the powers desired it is sought to take over the United States society which hitherto, apparently, has been carrying on for the members here. The objects of the society are of a social and fraternal character, and there are the usual provisions with respect to insurance fund, death benefits, old age benefits, and the like. I think we might send the measure to the Private Bills committee.

Mr. ROBB: I should like to say before the second reading of the bill passes, in order that it might go on record on behalf of the department, that this is not the Knights of Pythias as understood in Canada. This is a new organization proposing an incorporation of a fraternal society of coloured people particularly. Hon. gentlemen will observe it is "the Knights of Pythias of Africa and Australia" and the department has had some objections filed from the Knights of Pythias incorporated in the United States. The department offers no objection to the bill. Indeed it recognizes that the people who are applying for this charter have the same rights as white people to become incorporated for fraternal purposes; but it is just possible that the name may have to be changed when the bill comes before the committee.

Sir HENRY DRAYTON: That would be a matter for the committee I should think.

Mr. T. W. CALDWELL (Victoria and Carleton): There is already a fraternal society known as the Knights of Pythias in Canada which also extends to the United States. I would regret very much if granting these people a charter would override the rights and privileges of the present organization in Canada. I think it will be a serious matter to grant a charter to these people without a full understanding of the bearing it might have on the present organization.

Mr. ROBB: That is a matter which can be dealt with in committee.

Motion agreed to and bill read the second time.

JOLIETTE AND NORTHERN RAILWAY COMPANY

Mr. CHARLES E. HANNA (West Hastings, for Mr. Denis (Joliette)) moved the second reading of bill No. 39, respecting Joliette and Northern Railway Company.

[Mr. Bowen.]

Sir HENRY DRAYTON: I should like to ask the Minister of Railways before the motion is adopted what the present limitation is under the government's policy, as to the amount of securities that may be issued per mile of railway? At one time it was $20,000 per mile, at another time $25,000 per mile, then $30,000 a mile, and then there were special cases where special costs were involved where it went beyond that amount. In this case it is $45,000 a mile. That is something that can be looked into in committee, but it is a matter for the government to deal with.

Mr. GRAHAM: I am told it will be quite expensive, but I am free to admit that I have not gone into the matter, and I will call the attention of the members of the committee especially to the fact that the question of the amount to which securities may be issued is a vital matter and to watch it closely.

Motion agreed to and bill read the second time.

THE BUDGET

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

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

Mr. R. A. HOEY (Springfield): I desire to state, Mr. Speaker, what I feel any hon. member of this chamber would state if he enjoyed the privilege that I enjoy at the moment, and that is that the members of this House and the people of this country must feel deeply indebted to the hon. member for Cumberland (Mr. Logan) for the instructive and inspiring report he has just submitted to the chamber dealing with the desirability of closer trade relations between the West Indies and Canada. The hon. member is a stalwart Canadian, and even though he had never delivered an address on his mission, even though he had refused to partake of those sumptuous repasts to which he referred, I feel nevertheless, that his very presence must have created a profound impression upon the people he met and proved of great value as an advertisement of the Dominion of Canada.

The present budget, Mr. Speaker, is the second introduced by the Acting Minister of

Finance (Mr. Robb) and the fourth brought down by the present administration. I am one of those who believe that if the faith of the Canadian people in political institutions is to be maintained, if constitutional rather than revolutionary methods of procedure are to be adopted, the policy of a government, and particularly the policies of a government as embodied in their annual budget, must reflect measurably at least the platform upon which they were elected and the promises given at the time of their return to power to the electorate. Of the four budgets introduced three bear about the same resemblance to the Liberal platform of 1919 as a photograph of the Prime Minister (Mr. Mackenzie King) reproduced thereon would bear to the physiognomy of the right hon. leader of the opposition (Mr. Meighen). There may be points of resemblance, but so far I have failed to discover them.

The budget of last year was described as a step in the right direction. It was heralded as the forerunner and the harbinger of other budgets that would sound the death-knell of protection and result in the eradication of every element of protection from the programme of the Liberal party. As such it was supported by many hon. members in this section of the House, and ultimately carried by an overwhelming majority. Since then several by-elections have been held. The people were consulted, and the people when thus consulted endorsed by large majorities, with one single exception, the action taken by the government at that time. Viewed in the light of present-day events I cannot help but describe the budget of last year, not as a step in the right direction, but a shuffle—the shuffle of a manacled man towards a pillar, against which he intended temporarily to lean, knowing that if he fell in his manacled condition he might not easily regain his feet.

I take the position that never in the history of this country was the need for tariff revision more apparent and its necessity more universally recognized than at the present time. There are those who contend that the tariff should be revised upwards in the interests of Canadian industry. There are many who contend that the tariff should be revised downwards in an attempt to relieve the primary producers, but the necessity for revision is conceded by all. It may be considered a patriotic duty to-day to point to closed factories in eastern Canada and to the unemployed people there, but why should a man be described as a howling pessimist when he refers to the abandoned farms and to the agricultural conditions prevailing at this time in western Canada? I have realized for some time the hopelessness of a western member in this House making any pronouncement on the tariff that would not be considered biased and prejudiced, and so I want to call to my support certain outstanding business men of this country who are perhaps better fitted than I, by training, by the experience through which they have passed and by the positions of responsibility they occupy in this country to make a pronouncement on the tariff issue. The first one I want to quote is Mr. Angus McLean of Bathurst, New Brunswick. A letter was sent to Mr. McLean by the secretary of the Manufacturers' Association, Maritime provinces branch, and in reply to that letter Mr. McLean is reported as follows:

> We find that almost invariably the Canadian manufacturers charge the Canadian consumer the foreign price plus the protection they enjoy under the tariff. Until the Canadian manufacturer is brought to realize that this is taxing the consumer in the most unfair way and changes his ways we are going to have to struggle and work hard to carry on business in the Maritime Provinces. Our chief products are from the farms, forests, mines and seas and we must find a market for these products outside Canada.
>
> What we must have to become prosperous is an opportunity to buy our requirements cheaper than we now can do under a protective tariff; and, next, we need broader markets for the things we produce. We cannot get this broader market in Canada for two reasons. First, owing to our geographical position we cannot reach the Canadian markets where the chief consumption takes place, as our railway freight rates are too high, and, secondly, every part of Canada produces goods similar to our own and is also looking for a market for them.

And he concludes with this very pointed observation:

> The Canadian manufacturer who makes goods for the Canadian trade should stand on his own legs now and he should be able to do so if ever he will. There is absolutely no danger of the Canadian consumer buying foreign made goods if he can buy the home-made article as cheaply and as good.

The next authority I desire to quote—and this statement was quoted only in part by the hon. member for Northumberland (Mr. Snowball), who left out the best part of it—is Hon. F. B. McCurdy, former Minister of Public Works in the cabinet of my right hon. friend (Mr. Meighen). He says:

> And let me speak of the so-called National Policy, or system of protection, under and by virtue of which it is certainly true that the manufacturers of Ontario and Quebec have fattened and grown rich, even although they are now passing through a lean period.
>
> The mass production at the large industrial centres has driven to the wall the modest manufacturing establishments of this province, whose failure was the signal for the mass producers to raise their prices to the utmost limit permitted by the tariff. It has brought to Canada in 25 years the branches of 700 American manufactories, of which, however, the first has yet to be located in these provinces. It per-

mits an automobile industry that can export 60,000 motor cars in a year to foreign lands in competition with the States, while soaking consumers in these provinces and elsewhere in Canada from 50 to 60 per cent more than duplicate cars sell at retail in the United States—very fine, perhaps, for the Windsor and Oshawa districts where cars are made, but economic death to the people who pay.

He recognizes that the Maritime provinces and the west are handicapped and injured in exactly the same way by such a tariff policy. Neither can benefit by it because they must market their products abroad for the most part. Referring to the central provinces, he says rather bitterly:

"They do not need our beef, cheese, butter, eggs, lumber or fruit, and we must send our produce to other lands: potatoes to Cuba, fish to Brazil and the Mediterranean, lumber to foreign lands, and apples to England, all to be sold in competition with the world, and therefore at low prices, in order to provide the dollars wherewith to pay for goods from central Canada manufactured and sold to us behind a tariff wall, which keeps out competition. The tariff arrangements of the Dominion are naturally made to suit the centres of greatest population and no consideration is given to our needs."

"What we need, if we would thrive, is the opportunity to live our own lives, to develop our own resources and to increase our own culture under fiscal arrangements that are suited to our needs, that will ensure us a square deal, so lacking in the cumulatively unfair Canadian fiscal history of the past fifty years."

The third statement I want to quote comes not from the Maritime provinces but from the city of Montreal; for truth does occasionally come out of Nazareth. Mr. F. P. Jones, president and manager of the Canada Cement Company, in an address delivered before the Commercial Society of McGill University on January 22, expressed certain views which it will interest the House to hear. Mr. Jones does not belong to the Progressive party nor is he a supporter of it. He does not belong to western Canada but is a resident of the city of Montreal; and if there is a more successful business man in that city than Mr. Jones I have so far failed to meet him. On this occasion he is not discussing the tariff from the standpoint of a politician but from the standpoint of a successful Canadian business man. I have heard him use stronger language with regard to the present tariff than he uses here, but the words I shall quote are sufficiently strong for the purpose I have in mind.

I want to say that I am not going to attempt to discuss free trade versus tariff, and am not going to discuss tariff from any political standpoint, any remarks I may make about tariff, I think can be applied equally to our present government, its predecessor and all Canadian governments before that.

My contention is that if we are to have a tariff, and we have one in Canada, we should only have it for two objects;

1st. To produce revenue, which unfortunately in this country with our debt we very much require,

[Mr. Hoey.]

2nd. To employ labour and develop the country.

They are the only two logical reasons for a tariff, and if the tariff will accomplish these two objects, it will be all that it was ever intended to do.

Does our present tariff accomplish these two objects? I contend gentlemen that it falls far short,—I contend it does not even attempt to, and when I speak of the tariff, I am not speaking of the Mackenzie King tariff alone, but of the Canadian tariff as it is, and has been for years back.

I think to-day's tariff has been made by persons running to Ottawa and expressing their views, and the result is the tariff has been framed, not to produce revenue and employ labour, but to meet the views as expressed in Ottawa from time to time by different deputations.

Over 80 per cent of the goods which under our present tariff come in free, are free only to a privileged class, and not free to the people of Canada.

May I just pass on another brief quotation from a gentleman whose name is not unknown in this chamber and throughout the Dominion of Canada.

Mr. MEIGHEN: Before the hon. member does so would it not be fair to tell the House what Mr. Jones's opinion is?

Mr. HOEY: I intend to quote from Mr. Jones at greater length as I proceed. Now, Mr. Henri Bourassa in a recent statement has this to say:

We, of the east, should cease to regard the western provinces, as in days gone by England looked upon her colonies; profitable fields of investment, trade and exploitation for the parent-state.

In that light, some means should be devised to check the exeessive concentration of wealth and capital in a few cities of the east, and the practical control of all institutions of credit by two or three banks.

I wonder if I might add to these quotations my own opinions with regard to the tariff. Year after year I return to western Canada wondering if some compromise cannot be worked out, a compromise that would be measurably equitable to all sections of this Dominion. But when I come in contact,—when I come into close grips,—with western conditions, when I know the handicaps under which western agriculturists are labouring, I am forced to the conclusion that a compromise cannot be effected without encountering great, shall I say almost insurmountable, difficulties. The western agriculturist to-day is confronted with certain natural handicaps the effects of which we can never hope to overcome. There is first of all the long winter season which means substantial dwelling houses, substantial outbuildings, expensive clothing to save him from the rigours of the western winter. Apart from the long winter, there are periodical crop failures. We have had them in the past, we must expect them in the future; in fact we cannot avoid them. I make the statement that if the western agriculturist was

assured of an annual good average crop, I think he could make progress and perhaps make money under almost any fiscal policy you could evolve; but we have no such guarantee. Then there are the ravages of drouth, rust, grass-hoppers, hail, early frost and a hundred and one other things that might be mentioned. These are natural handicaps from which we cannot detach ourselves. And when I grasp their significance and attempt to understand what those natural handicaps mean, I am forced to the conclusion that if agriculture in western Canada is to be re-established upon a profitable basis, then the artificial handicaps must be reduced to the irreducible minimum. I make that statement because I remember that only one-third of our agricultural land in western Canada is yet under cultivation, and I remember also that we produced on the western plains in one season alone over 400,000,000 bushels of wheat. If western agriculture was re-established upon a profitable basis, and we could double the output in that country—if instead of having 400,000,000 bushels we had 800,000,000 bushels—I want you, Sir, to realize the effect that that would have on the purchasing power of the Canadian people and on our railroads; and it seems to me that unless rapid development takes place there, it cannot take place in any other section of the Dominion. The fact that the leader of the official opposition (Mr. Meighen), the hon. member for St. Lawrence-St. George (Mr. Marler), the hon. member for Fort William and Rainy River (Mr. Manion) and other hon. gentlemen recognize that for the time being at least our present fiscal policy is imposing burdens upon the primary producers, is in my judgment an indication that we have taken a real step forward towards the solution of this problem.

Now, what are the two chief reasons for inaction in the revision of the tariff schedules this year? Well, the first reason that I anticipate we shall hear from the government benches—when some member of the government breaks the long silence—will be from the consideration of revenue; we shall be told that they cannot revise the tariff because it would impoverish the financial resources of the country. Let me quote again from the address delivered by Mr. Jones on the occasion to which I have already referred:

> From a revenue standpoint our tariff is a complete failure. I am not going into details, but our importations into Canada, in round figures, are a billion dollars per year. In 1921, our imports reached $1,240,000,000, in 1922 they dropped to $747,000,000, in 1923 they were $802,000,000, so that they are now on the up-grade. In 1923 the revenue produced from customs was $130,000,000. Four-tenths of the imports come in free, or practically free; one-tenth bear a rate of duty of 5 per cent; another tenth a duty varying from 7½ to 12½ per cent; the balance, the remaining four-tenths or practically $400,000,000, produce practically all the revenue that is produced by our present tariff, and the rates of duty vary anywhere up to 40 per cent.

Mr. Jones goes on to advocate what he calls a uniform tariff not only on manufactured goods entering this country, but on raw material as well, which revision, he claims, would bring an added amount of revenue into the treasury of approximately $120,000,000. But he has this to state further:

> Does our present tariff give labour a fair opportunity? Does it give a uniform rate of protection on labour employed? Does it increase the cost of living to the detriment of the poor man in favour of the rich man? All specific duties as we have them put an unfair burden on the poor man as compared with the rich man. Take tea, for example. Tea has a duty of 10 cents a pound. You can buy tea from 50 cents to $1 a pound in Montreal to-day. When the poor man drinks tea he probably pays 50 cents a pound for it, therefore he contributes 20 per cent of the value of what he drinks to the revenue of the country. When the rich man drinks tea he probably drinks tea worth $1 a pound, he therefore contributes 10 per cent of the value of what he drinks to the revenue of the country. The same thing is true of figs—

And I should like the Acting Minister of Finance (Mr Robb) to keep this in mind when he is negotiating a trade treaty with the Australians:

> The same thing is true of figs, dates, raisins, currants and all goods which carry a specific duty, they are for the benefit of the rich man in this country rather than for the benefit of Canadians as a whole.

I do not think that any serious-minded Canadian will contend to-day that the tariff cannot be revised in a manner that will add to rather than subtract from the revenues of the country. The second objection to tariff revision that I am anticipating from the government benches—

Mr. ROBB: Mr. Speaker, before my hon. friend leaves that part of his argument, would he mind telling us, if he is speaking for the Progressive party and if he approves of Mr. Jones's policy as described?

Mr. HOEY: Mr. Speaker, I am speaking for no party. I am speaking as an individual in my own humble way trying to find a solution for some of the problems confronting the Canadian people in this crisis.

Mr. ROBB: Well, as an individual, does my hon. friend approve of Mr. Jones's policy?

Mr. HOEY: When the government has declared just what their position is in regard to Mr. Jones's policy, I will be ready to de-

clare mine. But I will state now without hesitation or equivocation that Mr. Jones's policy would mean an immeasurably better tariff than we have at the present time. The next objection that will in all probability come from the government benches is that which relates to the establishment of a tariff board: a tariff board that will be set apart, the members of which are to obtain information with respect to the tariff schedules, submit the information to the government, and the government will act in the light of the information thus obtained. I want to put a question to the Acting Minister of Finance. When this tariff board is appointed, is he going to ask them to submit information showing how the tariff can be revised on the principle of protection or on the principle of revenue, and if not, how can they act?

Mr. ROBB: The tariff board will report to the minister representing the government of the day, and the government of the day must take the responsibility of submitting to parliament what tariff changes they consider best in the interests of the country.

Mr. HOEY: I had considerable sympathy for the members of the tariff board prior to that answer on the part of the Acting Minister of Finance; I have even more sympathy for them now. Of all the proposals brought down by this government during its existence, this, to me, is by all odds the most objectionable. Here we have a tariff board that will review industry in this country. Here is an industry with up-to-date machinery, with capable management. Side by side with it is another industry with archaic and obsolete machinery, and inefficiently managed. How is the tariff board going to determine what protection both industries need in order to enable them to manufacture profitably? The acting minister must know that there are violent fluctuations to-day in the prices of raw material, violent fluctuations in the prices of cotton. Every business man knows that these violent fluctuations cannot always be reflected in the wholesale or retail prices. And not only that; this board, I presume, is not going to have any power over the tariff schedules of other countries. Other countries may reduce their tariff schedules against us or impose higher duties against us, all of which will exercise a profound influence upon Canadian industry. Nor is that all. I referred to crop failures in western Canada. Western Canada may have a crop failure in a given year that will reduce by two-thirds the purchasing power of the western Canadian people, and that being the case, the output of those factories enjoying protection must of necessity be curtailed in proportion. I object to this tariff board because it indicates, if it indicates anything, the triumph of the Conservative policy in this country

Mr. MEIGHEN: Hear, hear.

Mr. HOEY: If there is any hon. member in this House who should rejoice, it is the leader of the official opposition (Mr. Meighen). Why, this tariff board is going to rivet forever on the backs of the Canadian people the principle of protection. This tariff board is always going to lie on the lee side of public opinion. It is going to be a smoke screen behind which and in the midst of which governments are going to seek protection—I do not mean protection in the orthodox sense, but protection from the wrath of an aroused public. The acting minister who brings down such a proposal as this is, in my judgment, comparable to the man who would take shelter behind a cobweb to save himself from the violence of a prairie blizzard. I am convinced that this proposal to establish a tariff board and to rivet the principle of protection on the Canadian people will be resented by business men in this country because it is wholly impracticable, nebulous and meaningless; and will be resented by the agriculturists, the primary producers of this country, because they know from experience in the past that they have not obtained relief from the establishment of such boards.

Mr. ROBB: Before my hon. friend leaves that: a few moments ago I answered his question and stated that the tariff board would make inquiry and report to the government of the day—to the Minister of Finance of the government of the day—and that he would be responsible for such tariff changes as might be submitted to parliament. Suppose, for instance, my hon. friend was the Minister of Finance and the tariff board reported to him, would it mean that the tariff would be increased?

Mr. HOEY: Not necessarily. I take the position that such a board is wholly unnecessary. You cannot obtain the information that the Acting Minister of Finance is anxious to secure. Are the members of this board, for example, to have access to the income tax returns? The acting minister has access to them now, if he desires to avail himself of the opportunity. I object to it because it is superfluous. What are we paying our cabinet ministers for? Where has the theory of responsible government gone to? If the government wants more information on the tariff schedules, why not constitute the Solicitor General and the Secretary of State, who are

not overburdened with work in their respective departments, into a tariff board and set them apart to study the tariff schedules and submit to the Acting Minister of Finance the information that is necessary before a revision can take place?

The third objection to the tariff revision that I anticipate is that more drastic revisions should not be undertaken—in the language of the Prime Minister—until we have an opportunity to see how the last revision works out, what effect it is going to have on the industries of this country. Well, we have that information already; we do not require a board to tell us what happened to the industries that were most affected by the last revision. The Minister of the Interior (Mr. Stewart) has told us that the farm implement industry for the first time in many years paid a dividend this year of $68,000. I cannot see, if the revisions of last session were followed with such immediate and such beneficial results, why the policy has not been continued and carried out in the present budget.

I want to turn from this aspect of the discussion to deal with a statement made during the course of this debate which perhaps made a more profound impression upon my mind than any similar statement that has been made since my entry into this House. It was made by the ex-Minister of Finance (Sir Henry Drayton), and I want to congratulate him on the delivery of that speech; in my judgment it was the best speech that he has delivered during the life of the present parliament. He dealt with France; he compared France with Great Britain. I will quote his words in a moment or two. But if the conditions he portrayed in France can be traced to protection and the conditions he portrayed in England can be traced to free trade, then it seems to me, Mr. Speaker, that the time has come in this country for us to review very carefully and very minutely the arguments of the protectionists in the light of this new experience that has come to us. France, that played such a heroic part in the greatest crisis in human history, has now, according to the ex-Minister of Finance, emerged triumphantly from that crisis, and her emergence can be traced almost wholly to her protective policy. It may not be just in order for an Irishman to reprimand an Englishman for his unfairness to the Mother Country, but even at the risk of being considered somewhat unconventional I am afraid I will have to attempt the task. The ex-Minister of Finance abhors "isms"; they are to him anathema; they are the abomination of desolation spoken of by Daniel the Prophet—that is, all "isms" save Meighenism. Manufacturers such as I have quoted may dissent; agriculturists may rebel; the electors may remain stolid; by-elections may be lost; but the ex-Minister of Finance remains immovable. In the language of the new patriotism he exclaims: Give me protection or give me death! Speaking during the course of this debate, he said:

> Following out that principle of "never mind about employment," we see that labour that is fortunate enough to function to-day has strapped to its back the burden of 1,200,000 workers who unfortunately cannot find employment. There is the fruit of free trade. Go across the channel; just take the short trip to France and see what we find. Who will say that the land of the Mother Country is not good land? Who will say that her workers are not efficient? Who will say that her bankers are not capable? Who will say that her manufacturers, with their wits sharpened by "free trade, free trade, free trade," are not competent? Well, just take the little twenty mile trip to France and see the difference. On the one hand, doles, unemployment, want, plus a high cost of living; on the other hand, employment, plenty of it. Why, following the Armistice, and down to the first of January, 1924, France has received, provided with work and assimilated one and a half million immigrants. When I was there last summer she was receiving workers at the rate of 6,000 a week and there was still a lack of labour in the mines and for agriculture.

Now the words to which I should like to direct the attention of the House are these: "There is the fruit of free trade," and the word "agriculture" in the last line of the quotation. I wonder if the ex-Minister of Finance was altogether fair. Without attempting to make any invidious distinctions, but only in an attempt to determine just what the actual facts are, let us look at the war costs of these nations. In an Analysis of War and Post-war Finance, issued by the Bankers' Trust Company of New York and Paris—there were no Britishers concerned in the issuance of this report—a table is published showing the relative cost of the Great war to certain nations which took part therein. The table shows in each case the gross cost per head of population, and the percentage of national wealth in United States dollars at pre-war rates of exchange.

Country	Cost per capita	National wealth per cent
Great Britain	$524 84	34.49
France	280 20	19.36
Italy	124 59	20.59
Russia	44 01	13.11
United States	176 91	8.67
Austria-Hungary	108 76	18.13
Germany	292 57	24.71

It will be seen, Mr. Speaker, that there is a great disparity, first of all, in the war costs of the two nations compared by the ex-Minister of Finance. Let us look now for a moment at the taxes that are being paid by the two countries.

Sir HENRY DRAYTON: Has the hon. gentleman covered in that the costs of devastation and reparations? I do not think he has at all.

Mr. HOEY: I will come to that. I want first to look at the taxes that are being paid in the two countries.

Sir HENRY DRAYTON: That is another question entirely.

Mr. HOEY: I will take that question up now if the hon. member desires but I have my remarks in a kind of logical sequence, and would like to deal with the taxes first.

Mr. Snowden, Chancellor of the Exchequer, in reply to a question in the British parliament, gave the following figures of taxation per head in some of the leading countries of the world. Mr. Snowden added:

> International comparisons of this nature require to be used with great caution owing to the differing national wealth, financial systems, and social and economic structure of the countries compared.

The Chancellor of the Exchequer further pointed out that the figures for Germany, United States and Canada show the taxation to cover expenditure of the central government only, and do not include the expenditure for the states, for which information is not available. Let us look, then at the taxes:

Country	1913 or 1913-1914 (Actual) In Sterling at par	1923 or 1923-1924 (Estimated) In Sterling at par
United Kingdom	£ 3.11.0	£15.18.0
France	3.7 .0	6.18.2
United States	1.7 .11	6.14.10
Italy	2.2 .8	3.6 .11
Germany	1.10.8	4.1 .4

Next are the figures for the Dominion of Canada. Our taxation in 1913-1914, when our good Conservative friends were in office, was:

	1913 or 1913-1914	1923 or 1923-1924
Dominion of Canada	£3.8.2	£7.19.8
Australian Commonwealth	3.8.1	8.1 .9

You will observe that Australia's taxation to-day exceeds ours.

Sir HENRY DRAYTON: Would my hon. friend tell me how much of that is Dominion taxation, how much provincial, and how much municipal?

Mr. HOEY: I explained that Mr. Snowden points out that in the case of Canada, the United States and Germany, the taxation given is of the central government only. The figures for South Africa and New Zealand are as follows:

	1913 or 1913-1914	1923 or 1923-1924
New Zealand	£6.3.0	£12.5.3
South Africa	1.9.0	3.9.11

[Mr. Hoey.]

This is interesting in view of the statement made by the Minister of Justice during the budget debate of last year, when he claimed that the taxation of this country was the lowest perhaps in the world, certainly the lowest in the British Empire.

The ex-Minister of Finance is anxious to know if the figures I have given include reparations or any moneys paid to France to compensate for the devastated area. Some time ago, during this debate, someone made the statement that Germany was either unwilling or unable to pay. The Reparations Commission issued in July, 1924, a table showing the amount paid by Germany in reparations since the armistice, the total for the different allied countries paid in cash and deliveries in kind, as follows:

Great Britain	£64,876,400
France	86,230,050
Belgium	85,784,250

So that France has received a greater amount, according to the Reparations Commission, from Germany than has Great Britain.

Sir HENRY DRAYTON: Does my hon. friend know what proportion of the reparation damages that amount represents?

Mr. HOEY: I think it amounts to considerably over one-half.

Sir HENRY DRAYTON: I am sorry to tell my hon. friend that as a matter of fact it is less than one per cent.

Mr. HOEY: I will read this statement:

> Payments already made for the reconstruction of war damage of all kinds amount to 98 billion francs, and it is reckoned that another 84 billions will be necessary to complete the cost of compensation and reconstruction. Under annex V of the treaty, Germany also undertakes to deliver to France 7 million metric tons of coal annually for ten years, and to make good any deficiency due to war causes in the production of coal in the department of Nord and Pas de Calais. The most important manufactures are of metals, watches, jewellery, cabinet-work, carving, pottery, glass, chemicals, dyeing, paper making, woollens, carpets, linen, silk, and lace. Glass manufacture and pottery are also important, and the sardine fisheries and the culture of oysters are of a source of wealth.

So that according to the official statement of France reproduced in Whitaker's Almanack, page 785, over one-half the reparations have been paid.

Sir HENRY DRAYTON: I am afraid my hon. friend is very much astray according to the last report which I have. However, I do not wish to delay him.

Mr. HOEY: Now, let us look for a moment at the obligations of the two countries.

Mr. ROBB: Would my hon. friend allow me; it is only for information; he has made a study of this matter: As he knows England collects 26 per cent on the amount levied on imports into Germany applied to reparations. Can he tell us to what extent that is represented in the amount which has been paid?

Mr. HOEY: That would undoubtedly be included but I am sorry I have not got the figures.

Mr. ROBB: My hon. friend does not know to what extent?

Mr. HOEY: I am sorry I do not. Now I will read a statement showing the obligations of France and Great Britain to the United States:

Obligations of France and Great Britain to the United States

Great Britain	$ 4,630,500,000
Interest accrued and unpaid as of last interest paying dates. Great Britain	Nil
Interest heretofore paid Great Britain.	425,700,271
France—obligations	3,340,606,377
Interest accrued and unpaid	576,719,598
Interest heretofore paid	190,671,548

Now let us look for a moment at the loans made by Great Britain to some of the other countries who took part in the Great war:

Loans to Allies and Dominions

The amounts owing by the dominions and allies on March 31, 1924, were:

War loans—	
Dominions—	£
Australia	89,271,000
New Zealand	29,189,000
South Africa	11,884,000
Other dominions and colonies	1,146,000
Total	131,490,000
Allies—	£
Russia	722,546,000
France	623,279,000
Italy	553,300,000
Serb-Croat Slovene Kingdom	28,481,000

It may be interesting to know in view of these loans upon which no interest is being paid what Great Britain is attempting to do with her budget.

In 1921-22 the British budget showed a surplus of £101,516,000. In 1922-23 the British budget showed a surplus of £48,329,000. I have the budget figures for 1924-25 before me. It shows a reduction but the estimated surplus is £4,024,000.

Mr. CALDWELL: Before we get away from Great Britain's loans will the hon. member tell us if anything has been collected, either in interest or in principal, on the loans Britain made to her allies.

Mr. HOEY: I should not like to be dogmatic but my judgment is at the moment that nothing in the way of principal or interest has been paid.

Sir HENRY DRAYTON: There is but one exception, Poland, as I recollect—a very small proportion.

Mr. HOEY: I want to quote briefly from an article which appeared in the Saturday Evening Post of two weeks ago by Mr. Garet Garrett dealing with conditions in France:

On the state of visible and audible facts, the French people, who idolize reason, are suddenly very difficult to comprehend. What controls them is an event of the mind. It is not an idea; they seem unconscious of it. From this arises the complex probability that they do not comprehend themselves.

The three principal physical facts are these:

First, since the war, their ancient power of agriculture has declined. Yet one would have expected this to be the first power restored by all means.

Second, since the war, their industrial power has increased. It is now greater than ever before.

Third, the apparent economic prosperity of France is the first wonder of Europe.

It cannot be that the decline of French agriculture is owing to the scars of war. The scars are deep. Emotionally and politically, they are deep. Physically, as touching the product of the fields,

Nevertheless it is clear that France, hitherto potentially self-sustaining in food, with a precious economic equilibrium between industry and agriculture, has set her feet in a new road. If she pursues it, then more and more, like England, she will buy her food, exchanging for it the products of her fabricating skill and artistry.

It is the immemorial way of empire, already old in the time of ancient Greece.

Meanwhile, of course, the price of bread is rising, to everybody's wonder, and the French parliament, in the silly way of parliaments, votes 100,000,000 francs to make the price behave.

The food imports of France now are greater than before the war, amounting to nearly 4,500,000 tons annually; her exports are correspondingly greater of such things as wines, perfumes, soaps, silks, cotton and woollen textiles.

The spectacle is pleasing. It makes one feel very genial. And one asks what is wrong. Why is it said there is anything wrong? Is prosperity not its own witness? The people are better off. Therefore their new way is right. The method pays. They can afford to buy their food.

Yet there is a grotesque contradiction. What is wrong is intangible. You do not see it.

Notwithstanding the material prosperity that is the envy of other countries; notwithstanding the higher standards of living, the greater well-being of people, the brilliant trade record, the increase of industrial power of which the translation is what you see—despite or because—the financial condition of France is desperate.

Since the war the value of the franc has fallen from eighteen cents to less than five, and although it has recovered a little, nobody can imagine that it will ever go back to where it was. The government's credit is low and running out. Its bonds sell at a discount even among its own people; and how to balance the state budget—that is, how to make income equal outgo and bring the state back to a condition of solvency—is a problem of such difficulty that there seems no immediate solution. The rich have been discovered trying to get their capital out of France because they think it

will be safer in American dollars or Swiss francs, and the state has been hindering them by edicts of embargo. If you are caught taking money out of France, above a modest minimum for travelling expenses, you are legally liable to be stopped, Frenchman or foreigner. The government owes more than it knows how to pay. It keeps going by postponing the day, by giving new bonds for old ones, by straining its credit dangerously, and no one may say where the breaking point is.

Americans spend annually in France, frivolously, a sum of money more than enough to pay the principal and interest of the French debt to the United States treasury. It is probably not less than $200,000,000.

I cannot discern in French conditions to-day anything that would justify me in believing that France has been permanently helped by increasing her tariff schedules, certainly not helped to the extent that the remarks made by the ex-Minister of Finance would indicate. But if you say there is prosperity in France and unemployment in England—and there is—and if the ex-Minister of Finance had simply stated there is unemployment and destitution in England and there is prosperity and no unemployment in France, I for one would not challenge the statement. But in view of the fact that these conditions prevail, you ask why is there unemployment in England and why is there comparative prosperity in France? I think the figures I have given will throw some light on the subject. But I do not think anybody will question the authority of Sir George Paish, who is at present, if I mistake not, touring this country and is one of the world's most renowned statisticians and economists. Speaking of Great Britain, in summing up the situation—and I know of no greater authority—he has this to say in the Daily Mail Year Book:

Great Britain's Position

The financial position of Great Britain is one of great strength, in spite of all that has happened since 1914. Prior to the war, Great Britain had supplied other nations with no less than £4,000,000,000 of capital and banking money, and during the war she more than paid her way. It is quite true that she borrowed nearly £1,000,000,000 from the United States, but on the other hand she lent some £2,000,000,000 to her allies and Dominions. It is also true that early in the war she disposed of a large part of her American securities, but since the war she has lent to her colonies anl to foreign countries another £500,000,000, and this new investment has replaced the securities previously sold. Hence Great Britain's total foreign investments at the present time are about £6,000,000,000, while her foreign indebtedness is rather less than £1,000,000,000. Moreover, she is entitled to receive from Germany 22 per cent of the reparation payment. Were Germany able to pay the sum fixed, this would give Great Britain another £1,400,000,000 on foreign account, making a total sum owing to her from foreign and colonial countries of more than £7,000,000,000. After deducting the sum of nearly the £1,000,000,000 owing to the United States, the net sum is still £6,000,000,000. It is, however most improbable that she will receive the whole of the sums due to her from Germany, Russia, France, or Italy, but if these were entirely written off Great Britain would still possess £4,000,000,000 of good foreign investments, against which she would owe to the United States rather less than £1,000,000,000.

And then he touches what is to my mind the crux of the situation:

The World's Bad Credit

It may be said that while the war has injured Great Britain the injury is not really serious. The great injury from which the British people are suffering is not their loss of capital in consequence of the war, but the bad credit of the whole world, which is preventing them from granting anything like the credits they are capable of granting, or of selling the goods in anything like the volume they are capable of producing, and which they desire to produce and to sell. The recovery of Great Britain from the war depends upon the recovery of Europe and the world. When Europe recovers Great Britain will recover, and will be able to lend to Europe, to South America, and to her own colonies quite as much as she has been able to lend in the past. My calculation is that, when the world's credit is fully restored, and world trade expands as it should expand, Great Britain will be able to produce a far greater amount of goods than she has ever produced, and will be able to grant a far greater amount of credit to foreign and colonial nations year by year than she was able to grant in pre-war days. Great Britain cannot, however, grant the credit which foreign nations need until the world situation is very different from what it is to-day, until, indeed, real peace is restored. Inasmuch as the world's mentality is gradually changing from a war-like to a peaceful condition, and the nations are beginning to pursue a peaceful policy, the day does not seem far distant when conditions will improve, and when consequently Great Britain will be able freely to grant credit again, and to sell all the goods she is capable of producing.

The hon., the eloquent and ever genial member for Fort William and Rainy River (Mr. Manion) referred to that "magnificently wealthy" nation, the United States. I quoted to-night the figures of the cost of the war to Great Britain and to the United States. The hon. member for Fort William and Rainy River whose very history proves he has no desire to do the Old Country an injustice, spoke of the United States as an eminently wealthy nation, and the first creditor nation in the world; but in my judgment he was scarcely fair and was dealing very loosely with terms. I desire to quote again, Sir George Paish where he says:

On the other hand the war has brought into existence a new lending nation, one whose potential powers are very great—the United States. Since 1914 America has supplied foreign nations with about £4,000,000,000 of capital. Of this total about £1,000,000,000 is now of doubtful value. Nevertheless, to-day the United States is second only to Great Britain as a great creditor nation.

Mr. McMASTER: Not bad for a country ruined by free trade.

Mr. HOEY: During this debate statements were also made in an attempt to show

that American industries, French and German industries, were driving the industries of Great Britain into the sea. I do not know if that was the exact statement he used but that was the substance of it. The hon. member for Fort William and Rainy River in reply to a question some time ago made this statement:

I am not saying that it favours the manufacturer. England is a free trade country and the fact that they do not favour the manufacturer is one of the reasons that to-day the manufacturers of England are finding it difficult to carry on their business because protectionist Germany, the United States and France are dumping their stuff into England. That is the reason the manufacturers are being put out of business.

I have here a statement made by Sir Charles W. Macara on the cotton industry, and I do not think anyone will question his authority to speak on that industry, in Great Britain at least. Referring to the depressed condition of the industry at the time he spoke, he said:

I have shown again and again that Lancashire has nothing to fear in the matter of foreign competition, given an ample supply of the raw material and control of the output of yarn and cloth scientifically, to meet the vicissitudes inseparable from a great international trade.

I should like to direct the attention of the Acting Minister of Finance (Mr. Robb) to the next statement, "It is all a question of proper organization":

At the time of writing, a telling object lesson comes to my notice. Two important American spinners and manufacturers, with whom I have been discussing cotton trade matters, inform me that it is still impossible to put down mills in America, even with the considerable reduction in the price of machinery and building, at less than double the cost of building and equipping mills in Lancashire, and Lancashire mills still cost fully double the pre-war rate. To this has to be added the further handicap that Lancashire operatives can spin finer and better yarn than is produced in America from cotton of a somewhat cheaper and lower grade than is used in the United States. These two circumstances combined must give Lancashire an enormous advantage in the markets of the world, especially when it is taken into consideration that America is, perhaps, farther advanced in the art of cotton manufacture than any other foreign country.

I quote that statement actuated by a two-fold purpose. In the first place I want to show that the Americans are not driving British industries into the sea; indeed the Americans are demanding to-day higher tariffs on cotton goods coming from Great Britain into that country. But Sir Charles Macara attributes that, not to normal trade but to the fact that there was a price war amongst the cotton manufacturers of England which led to a slaughter of prices and to a consequent demand for greater protection on the part of the American manufacturer. I have quoted the passage, I say, to show that the industries in Great Britain are not being driven to the wall in the sense that some people think. No one will doubt the authorities I have quoted, and I believe I have established that contention. In the second place, I have submitted the quotation to base a question upon it. How can we possibly hope to build up a cotton industry in this country to compete with the cotton industry of Great Britain, organized as it is there, without imposing upon the Canadian consumers for perhaps half a century an almost unbearable load? It is quite true that there are certain lines in which the Americans excel and in which perhaps in a sense the Britishers are not quite on the same level. But unless our manufacturers here endeavour to specialize I cannot see that they have a chance in the world in the next half century of competing successfully with the British manufacturers. The only possible way in which they could compete would be by lifting our tariff schedules up considerably higher than they are at the present time.

Mr. ARTHURS: Has the hon. gentleman any figures as to how many industries in Great Britain are protected under the Safeguarding of Industries Act?

Mr. HOEY: The Safeguarding of Industries Act has been abolished. I will tell the hon. gentleman this, that the cotton industry has certainly not been protected under the Safeguarding of Industries Act. Now, Mr. Speaker, I have taken up altogether too much time but there are just a few general observations I desire to make before concluding. I have been thinking for some time that it might be wholesome if we had brought down and submitted to the House a statement showing the entire obligations of the Canadian people—a statement, I mean, showing not only our federal obligations but our provincial and municipal undertakings as well, together with other obligations of an almost private nature. If we had such a statement as that one might well pause and ask who is the real owner of this country. And I am of the opinion that the submission of such a statement would shock the Canadian people, as they have not so far been shocked, into a sense of the absolute need for drastic retrenchment and economies in public expenditures, economies not only in the federal field but in the provincial and municipal spheres as well. I may be growing unduly pessimistic in my old age but I cannot help feeling that this young nation is losing its enthusiasm; I cannot help feeling that Canada at this juncture is losing nerve and showing evidence of drift. I do not know to what extent governments are respon-

sible for that condition; they may not be responsible at all. It may be that the Canadian people are suffering too much from government intervention, from government subsidies and doles and from government interference; and it may be that a temporary withdrawal of interference in a great many of these respects would throw the Canadian people back upon their own initiative and upon their own resources and would exercise a wholesome influence on the public life of the country. During the course of a speech delivered before a convention of the United Farmers held in Brandon some months ago, after I had attempted for an hour to evolve and outline a policy which I considered would be measurably equitable to all sections of this country, I incidentally made the statement that if the different sections of Canada could not be held together on a basis of justice I did not see why they should be held together at all. I do not know why that statement was broadcast from ocean to ocean. There was no doubt in my mind at that time that such a policy could be evolved; I never doubted that for a moment. But if such a policy is going to be evolved it will require courage; it will require men of exceptional and outstanding ability, men who will have to displace some of us even if they come into public life at tremendous sacrifices.

It seems to me that unless such men are prepared to make the sacrifices and give this country a lead, the outlook is far from promising. If such men are prepared to come in—and frankly I do not care whether they come in as Liberals or Conservatives or Progressives or members of the Ginger group, provided they are men of ability, courageous and fearless men, and patriotic in the truest sense of the term—if such men are available in this crisis, then I have no fear as to the ultimate outcome. As my concluding statement, Mr. Speaker, allow me to read into the record an excerpt from a speech delivered of Ramsay MacDonald, ex-Prime Minister of Great Britain:

> There will be no more grand political days, no more political giants, until politics is raised from being a hasty auctioneering scramble to being an expression of large hope and inspiring ideals.

Mr. HUGH C. McKILLOP (West Elgin): Mr. Speaker, the budget which has been brought down by the Acting Minister of Finance (Mr. Robb) is, to say the least, quite a complicated affair. From the great jumble of figures it is hard for the average taxpayer to tell how much the Dominion is in debt. In fact, if it were to be shown to the average citizen without his being told what it was, he would at once come to the conclusion that it was the very latest in cross word puzzles. Unfortunately conditions in this country today are very serious, much more so than the average citizen dares admit. When we think of the great amount of money going out of the country every year for goods that we can produce, when we look around and see so many industrial plants standing idle, so many working men without work, taxes going higher each year, expenditure increasing apace, new forms of taxation being invented so as to raise more money from the already overburdened taxpayers,—when all these things are considered, is it any wonder that the people are getting so restless and murmuring, "When is there going to be a stop to this? When is the burden going to be lightened? When is the economy that the Prime Minister was so fond of recommending before coming into office going to be put into effect?" This government has been in power for four years, and as yet there is no sign of economy. To-day over 2,000 industrial plants are closed down, thousands of unemployed are walking our streets, thousands of our working men with their families have left Canada to reside in the country to the south of us. All this I claim is wrong. The loss of so many working men is nothing short of a national disaster. While we all realize that agriculture is our basic industry, yet I contend that a satisfied working man is one of Canada's best assets; and further, I contend that there is not a more loyal or more law-abiding class of citizens than our working men, and it should be the duty of the government to give them every encouragement to stay here. I am convinced that it is not doles that the working man wants. All he asks is a square deal, steady work and wages that he can live on, raise his family and educate them for the battle of life. That is all the average working man asks, and surely it is not too much. Now, let me say that I hold no brief for bolshevism or bolsheviks. The working man that I refer to is the sincere and honest working man, a man who wants to give an honest day's work for an honest day's pay, and I am satisfied that 90 per cent of our working men belong to that class.

Since the debate began, Mr. Speaker, a great mass of figures has been quoted to prove arguments, and while I do not intend to weary the House further along this line, still I wish to express my very strong opinion that practically all our manufacturing industries need protection, and I propose to refer to two of them to emphasize this need. Take our boot and shoe industry. As is well known,

we have 190 boot and shoe factories scattered over the Dominion from the Atlantic to the Pacific, representing an investment of millions of dollars and employing thousands of hands in the manufacture and marketing of their goods. These factories have a very heavy payroll and spend a lot of money for raw material, and I think all hon. members will agree with me that they are a great asset to the Dominion. But, unfortunately for them, the tariff has been lowered to an alarming extent, allowing outside competition from countries where labour is so much cheaper and other conditions so unequal that our factories cannot overcome the handicap. I would draw attention to the fact that while our duty on shoes from the United Kingdom is only 15¾ per cent, British shoes going into New Zealand have to meet a duty of 28½ per cent, and into Australia a duty of 38½ per cent. Anyone will understand what this means to the Canadian manufacturer. It simply means that the Canadian duty on imported British shoes barely offsets the difference in wage costs alone, leaving no protection to the Canadian industry against higher costs of material, higher taxes and other factors. In this connection let me read a clipping from a publication of recent date dealing with this matter:

> Importations of British boots and shoes into Canada increased remarkably during the 12 months ended February last, as compared with the preceding 12 months. Figures issued by the Dominion Bureau of Statistics show that the value of British boots and shoes imported sprang from $663,455 in the 12 months ended February, 1924, to $1,053,078 in the 12-month period just concluded.

This is one result of the lowering of the tariff protection, and there is the further result that the whole boot and shoe industry is headed for bankruptcy unless the present unhappy conditions are righted.

There is another class to whom I wish to refer briefly—our vegetable growers, more commonly known as truck gardeners. This is a business that a great many are engaged in throughout Canada, and especially in the counties of Essex, Kent and Elgin, in the province of Ontario, where many thousands of dollars are invested in greenhouses and land suitable for the production of this line of produce. Owing to the difference between the climatic conditions of this country and those of the southern part of the United States, where vegetation is much earlier, the southern producer has a great advantage—that of earlier marketing. As a consequence, when our producers here are ready to market their crops they find the home market flooded with vegetables from the southern states. One result is that many of our producers cannot find a market for their produce at all, and another is that thousands and thousands of good Canadian dollars find their way to the south for commodities which are produced here a little later in the season.

I contend, Mr. Speaker, that these truck gardeners should have protection, and plenty of it; I am convinced that they need it. In this connection I remember reading of an interview between a deputation of onion growers from Essex county a few years ago, in Windsor, with the then Minister of Finance (Mr. Fielding) and the hon. Minister of Railways (Mr. Graham)—and by the way, I am sorry the Minister of Railways is not in his seat at the moment. The deputation was from the constituency of the Minister of Railways himself, and they asked that more duty be put on onions coming into this country. The answer of the Minister of Finance was: "It is not our policy to put more duty on anything, is it, George?" The Minister of Railways replied: "I did not say that in my election campaign." I presume from that remark of the hon. Minister of Railways that he gave the Minister of Finance to understand that in his election campaign he had made promises to the electors in this connection. Well, it was only one of a good many promises made by members of this government to be elected on, but soon forgotten. The onion growers are still waiting for the minister to keep his word and give them the protection they so manifestly need.

Since coming to this House, Mr. Speaker, I have at every session asked the government to put a higher duty on beans coming into this country. At present the duty is twenty-five cents per bushel, while on beans going into the United States the duty is $1.05 per bushel, I contend that this is not fair to our bean producers, and why the government persists in leaving this duty where it is is beyond me. If there is any good reason, I would like to hear it. If any hon. member of the government can tell me the reason, I would like to hear him explain why this duty is left year after year the way it is. I will wait a moment for an answer. As no answer is forthcoming, I will take it for granted there is no reason, and that the government knows the bean producers should have more protection.

I wish to give the House, Mr. Speaker, a statement which will show the quantities of beans imported into this country during the fiscal year ended March 31, 1924, and

the countries from which they came. It is as follows:

Country of origin	Bushels	Value
United Kingdom	31,354	$ 70,495
Hong Kong	4,411	8,243
Belgium	81,155	197,492
China	408	941
France	14,003	54,071
Hungary	2,033	4,118
Italy	320	789
Japan	119,765	279,154
Netherlands	1,607	3,515
United States	43,587	135,268

Making a total import into this country during the last fiscal year of 298,643 bushels of beans, valued at $754,086, at the small duty of twenty-five cents per bushel. Of this amount $279,154 worth came from Japan, a country where a labourer in the fields does not receive as much for two weeks' work as a man here receives for one day's work. Not only that, but owing to climatic conditions Japan can produce two crops to Canada's one, and I claim it is not fair to our bean growers to ask them to compete against a country where wages are so low and the cost of living so much cheaper than here. Last year the United States exported to this country beans to the value of $135,268, paying duty at the rate of twenty-five cents per bushel, while the Canadian bean grower has to pay a duty of $1.05 for every bushel he sends to the United States. Now, Mr. Speaker, I leave it to hon. members of this House if that is a square deal to the bean producers of this country. I say it is not; and further, I claim it is the duty of the government to right this wrong as soon as possible and to keep the home market for our bean producers. "The home market for our own producers" is the motto of the Conservative party. I think it was Abraham Lincoln who, when asked about free trade, replied, "If you buy in another country you receive the goods, the other country receives the money; but if you produce the goods in your own country and buy there, then you have both the goods and the money." If that was true as applied to conditions in the time of Lincoln, it also applies with equal force to Canada to-day. I am convinced that this country is suffering from too much outside competition and not enough development of our own natural resources. Just think it over; $700,000,000 going out of this country for supplies which to a great extent should be furnished in this country if our resources were developed and a duty put on goods coming in that would keep our home markets for our own products. And I might further add that this applies with equal force to any production that takes place in Canada.

[Mr. McKillop.]

I am a firm believer in protection that protects not only the manufacturer and the agriculturist, but also the consumer. I believe also in the appointment of a tariff board consisting of three members, one representing agriculture, one representing labour and one representing the manufacturers. I would want them to be free of all political influences, and to be equally just to all, and adjust the tariff from time to time so that all would reap the benefits accruing from it. I am convinced that in this way, and in this way only, Canada will become the great nation she was intended to be.

Mr. C. G. POWER (Quebec South): Mr. Speaker, though I have been a member of this House for a number of years I have never yet ventured to address it on the budget. I only do so to-night because by custom and tradition it is the time-honoured occasion on which his subjects and followers lay before the King their grievances before they vote the supply necessary to carry on his government.

I wish to congratulate the government upon the budget as brought down, not because there was a great deal in it, but rather because there was very little in it. We have arrived at a stage in our country's development when it behooves the government to make haste slowly, to proceed with prudence and caution. Admittedly, and undoubtedly, conditions in this country are not good. Trade is bad, business is bad, and whatever we may say, the state of our national finances is not good. We have not reached the stage where we can afford to tinker with the tariff. Last year we did make certain changes in the tariff, and there are some who think no very great good was done, but at any rate there is one very sure thing, no very great harm was done.

I agree to a large extent with what has been said by my hon. friend from Springfield (Mr. Hoey) in his admirable address this evening, that we need tariff revision, but as I said before, we must proceed slowly. The tariff is full of contradictions, anomalies and inconsistencies. It must be revised, and it must be revised by persons who have the time and the ability to study it, and make recommendations with regard to it which will be for the general good of the country. They must study the conditions of every trade and of every industry to see that these industries and trades may be carried on in the best possible manner, always having reference to the general welfare of the country. To that end the government very wisely, I think, decided to create a tariff board, not a tariff board which

would be independent of the government, which of its own initiative would decide what should be the fiscal policy of this country, for our constitutional system does not permit of any outside dictation. The revenues to carry on the king's government must be raised by the king's ministers, who must decide upon the policy which is to be followed in order to raise those revenues. This board, as I understand it, is to be of a purely advisory nature, a board which will study the conditions of industry, and having studied those conditions and having obtained the fullest possible information, report to the Minister of Finance, who then with the aid of his colleagues will frame the government policy and be responsible for it on the floor of this House and in the country.

My hon. friend from Springfield asks whether this board is to be instructed to base their recommendations upon the principle either of free trade or of protection. So far as I am concerned, Sir, I would tell the tariff board to pay no attention to the principle either of free trade or of protection. I would tell the tariff board to give us advice as to the conditions of each industry, irrespective of whether the policy of the government should be one of free trade or of protection. To my mind, Sir, there is no such thing as principle in the tariff. The tariff is only a question of opportunity, after all. Each industry must be judged on its own merits, and on the conditions of the country at the particular time the study is made. If the tariff were based on principle, how is it that in a tariff such as we have, admittedly protectionist, there are so many articles on the free list? If it is based on principle, how is it that there are some articles on the free list, and yet those very same articles are dutiable when utilized in some other industry? It seems to me, Sir, this is to a large extent due to the very thing which we wish to get away from by the creation of a tariff board—to government by delegation. Delegations from some particular industry, delegations representing interested parties, call on the Minister of Finance before the budget is to be made, and very often meet with a sympathetic hearing, and various articles are placed on the free list, or are made dutiable, irrespective of their relation to the rest of the tariff. This has occurred, I think, under high protectionist Tories and under tariff stability Liberals. I think both parties have been remiss in this respect. A tariff board can make a clean-up of the whole situation, and make our tariff consistent all the way through. We shall then eventually arrive at some sort of a policy to which we may at any rate for a considerable time be able to adhere.

We have heard a great deal in this House during the past year on tariff stability. I think it is admitted that this very same system of government by deputation and delegation has on many occasions done away with tariff stability, and the very men in this House who have been urging us to stick to the Laurier-Fielding tariff as a suitable tariff would possibly be the very men who some day, when it suited a particular industry in which they were interested, would come before the Minister of Finance and the government of the day and ask for tariff changes.

I hope that when this tariff board comes into operation it will make a study of the British preference. As I understand, from my reading of recent political history, the British preference perhaps has been a good thing, perhaps is a good thing now; I do not know; but it has been said, and perhaps with truth, that after all the British preference was only introduced by Sir Wilfrid Laurier in 1896 in order to show the Tories that he could be as loyal as they were. It may have benefited the country too, incidentally, but I think the principal reason was a political one. That reproach to the Liberals now having disappeared it might be well for this tariff board to look into it carefully and to see if certain industries were not injuriously affected by the British preference.

One of the only things of importance introduced in the budget was the increase of duty on slack coal. I think the government deserves congratulations on that point, and I hope the provision will be of some benefit to Nova Scotia. That province is going through a period of hard times, owing to high freight rates, prohibitive tariffs on the American side, and other reasons too numerous to mention. For years Nova Scotia has not obtained much profit from confederation. It is, in fact, one of the few provinces which were coerced into confederation. It has suffered patiently, courageously; it has not attempted to form sectional groups with a view to bludgeoning or blackmailing either of the political parties into granting it special favours. It has, as I said, suffered courageously and patiently without complaint; and now, at the time of its trial I think it is the duty, as it should be the pleasure, of the remaining provinces of Canada to treat it fairly and generously; to attempt, in so far as possible, to equalize its opportunities with those of other provinces and to allow it to derive the best possible advantage from the resources which nature has given it. It is to be hoped, however, that the

miners of Nova Scotia will profit, in some degree at least, by the increase of duty which has been placed on the products on which they labour. It would be a calamity, a catastrophe, if schemers such as Wolvin, and bullies such as McLurg profit in any way from what it intended for the benefit of the whole people of that province. I do not desire to-night to enter into a discussion of the merits or demerits of the miners' case or that of the Besco company in the warfare in which they are at present engaged. But let me say this: Owing to a turn of the wheel of fortune, or perhaps through mismanagement on the part of the military authorities, I found myself at one time a lieutenant in the third Toronto battalion. Drafted to us there were sixty or seventy-five Nova Scotia miners. What men from Quebec and from Nova Scotia were doing in a Toronto battalion, and why we were sent there I have never been able to find out; but all those seventy-five were among the bravest, the truest, the most patient, the most hardworking and the most courageous of the whole battalion. I cannot believe, Sir, that those men—those that are left of them—their brothers and their fathers have here in Canada become malingerers and bolshevists. I cannot believe that men who were so brave on the field of battle and were so ready to do anything that was asked of them would be to-day deliberately committing sabotage and refusing to do the work which they could do.

Another innovation has been introduced into this year's budget, and I hope a successful one, that of placing an export tax on power. There are a number of theories which have been evolved in this country in relation to the disposal of our natural resources. It is not for me to go into these theories and to discuss them here to-night. Time does not permit of that and I do not think the occasion is ripe for it but I will say this: It ill becomes a party which allowed the whole cost of the war to be borne by future generations when it could have taxed its own friends the profiteers when it need not have issued tax-exempt bonds, to say what those future generations shall do with the resources which Providence has put at their disposal. It ill becomes also the party which for the past few years has been preaching up and down this country that we are bankrupt or on the verge of bankruptcy, to prevent us from using those natural resources which we have in order to put us on our feet. As well tell a man who has been ruined in his business but has victory bonds in the bank, that he must not sell those bonds but must allow himself to go bankrupt. We should be allowed if we are on the verge of bankruptcy, at any rate to use what we have in order to place ourselves once more in a sound position. Furthermore it is hardly the time, when trade is bad, when the same party of which I have spoken declares that business is bad throughout the country, to dislocate industries such as those carrying on the exportation of pulpwood, of nickel, or asbestos, until at least such times as we have attained a certain state of normalcy. Then the occasion will be propitious to discuss whether or not the export of our natural resources should be prohibited. The government has decided, wisely I think, to profit to some extent by the use of these natural resources, and by placing an export duty on power a certain amount of revenue will be derived. I hardly think however the tax will affect the people of Canada and we will have found one means at least which potentially will become of great value to the Dominion as a whole.

I had intended saying a word or two in reference to the Petersen contract seeing that I was unable to obtain an opportunity of speaking when the matter last came before the House. I am glad to say that the Prime Minister has enlarged the scope of the committee to which this matter has been referred so as to permit any suggestion other than that contained in the Petersen contract to be advanced. I would here make one suggestion and it is this: Let the government instead of entering into a contract with Sir William Petersen use its own Canadian mercantile marine. Not to administer it itself; rather than do that I would be prepared to vote the Minister of Defence two or three million dollars to sink the ships; but let them give the ships to Sir William Petersen. Let him run the ships. Apparently he is a very good man. In that way we might break the combine and we would save seven or eight million dollars a year. There is no doubt to my mind that there is a combine and that it has been disadvantageous to this country. That it has injuriously affected our trade I think there is no doubt. It has, I am sure, affected the interests of certain Canadian ports, and among others the port and harbour of Quebec, which brings me to a matter which I hardly like to mention at this stage, but which I am forced to bring to the notice of this House since I have no other means at my disposal of drawing to the attention of the government this very urgent matter. For years, Mr. Speaker, as you are probably aware, the equipment and development of the port of Quebec has been made a species of political

football at the hands of all parties, of all shades and colours.

Mr. FORKE: Not the Progressives.

Mr. POWER: They have not had a chance yet. Since very early childhood I have listened to glowing reports of the future of this port, as to what was to be done by this or that party, or what should be done by this or that party. We have lived on promises and we have hungered for achievement. Let me say, Sir, that I very much fear that our situation has not been very much improved of late. I took part in the elections of 1904, 1908 and 1911. I fought the elections of 1917 and 1921, and in all these elections the principal if not the only issue was the best means of awakening Quebec from its age-long slumber.

Mr. MANION: Change sides.

Mr. POWER: We tried that and did not succeed. My hon. friend has changed sides. I will say for my hon. friend right here and now that if I do change sides I will not show the same bitterness towards my former friends that he displays.

Mr. MANION: I am not bitter.

Mr. POWER: These questions have been before the public of Quebec as long as I can remember, and hitherto no party has succeeded in giving us the satisfaction to which we consider we are entitled. The matter has now become more than a local issue. The development of the port of Quebec is a matter of national interest. Not only this, but the members of parliament, representatives of the people, representatives of the cabinet and the government, have pledged themselves to perform certain works and to do certain things for the harbour and should these promises not be fulfilled and should this work not be done, a feeling of distrust and disappointment will spread through our body politic, which will be disastrous not only to our province but to the whole of Canada. To my mind a promise made to the electorate should be just as loyally observed as a promise made to the ordinary man in the ordinary course of business. Promises have been made and these promises have not been fulfilled. One of the promises I made shortly after the last election was that if the present government treats the people of Quebec in the same fashion as the past government treated them I will not be behindhand in criticizing it as bitterly, as harshly and as severely as I have criticized any government, and this promise I intend to keep. We have been told time and again that legislation in this regard is to come down. We have waited, as I have said, for almost a century. There is yet time to repair the blunder and to put a little more energy into the plans and projects of the government. But the time is short, and unless legislation is brought down within the next few days or weeks, I am very much afraid that everything which has been done hitherto will be of no avail. The money which was voted last year will be wasted, and the people of the city of Quebec will be profoundly disappointed. I hope for the honour of the representatives elected for that city, for the honour of its representatives in the cabinet, and for the honour of the party to which I belong, that some means will soon be taken to dissipate the distrust which is in the minds of the people of Quebec.

To return to a more pleasant subject. I hear in the corridors and I read in the press that we are about to have an election. Why we should have an election I do not know, but apparently the newspapers think we should have one. I do not know anybody who really wants one very badly, and I do not know that the country wants one; nor do I know that the country would benefit by one. I do not see that we on this side of the House would obtain a sufficient majority to control as we would wish, and as for the hon. gentleman leading the official opposition, he cannot win; the Progressives cannot win, and as for the thirteen goody-goodies, it is a ten-to-one chance that they will be left at the post. So that, as nobody is very greatly interested in having the elections, it might be just as well to postpone them until another year, when perhaps the goody-goodies will be sufficiently organized to force an election, and they might win. The state of politics at the present time reminds me somewhat of an anecdote which I read somewhere. It related to the days of good King Charles. In those days there was no Ontario Temperance Act, there were no Good resolutions, no Brown resolutions, and apparently people lived a very simple and happy life. King Charles, according to his own people, "never said a foolish thing and never did a wise one." There was someone who expected to succeed to his throne, James, Duke of York. James was dour.

Mr. FORKE: A Scotchman.

Mr. POWER: A Scotchman, bigoted, narrow. One day he complained to King Charles that there was a plot against the king's life, Charles said to him, "Never mind, James, they

will never kill me to make you king." The same remark might very easily be applied to a certain quarter of this House. Lest my hon. friends the Progressives take heart and think they may be called upon to play the role of William of Orange, I will tell them right now that the monopoly of that colour happens to be in Toronto. I rather suspect too that they will be more likely to play the role of one whom they resemble somewhat in their overwhelming ambition and possibly from the circumstances surrounding their birth—the Duke of Monmouth. And I warn them that they have a very fair chance of suffering the same fate and of being massacred by Kirk's Good Lambs. Seeing that such is the situation, I think we ought to have a quiet and peaceful session; we should not allow the fact that outside there is considerable noise of an election to disturb our equilibrium or the even tenor of our ways. We are a quiet parliament; we are doing very nicely; and there is no necessity for upsetting things. Let us by all means carry on. We were elected for a certain period of time and I do not think that anyone wants very much to throw us out, unless it is somebody who wants to get our job. But let him be patient and wait. Why should we not carry on a little while longer?

To be serious for a moment, I think the times are getting better and it is not in the interests of business to have business disturbed. We are on the eve possibly of a renewal of our ancient prosperity and the country needs above all to be left alone to work out its own destiny. Instead of squabbling over party politics, instead of wasting our time and the country's money by discussing theoretical questions, problems which may or may not arise, we should do the best we can to encourage every legitimate enterprise, every legitimate business and industry in the country. It is our duty to set our shoulders to the wheel and do everything possible to help the country out of the state in which it is at present. As my hon. friend from Springfield (Mr. Hoey) said, let us all do the best we can. It is impossible until a new parliament is elected to have these supermen of whom he speaks; but let us endeavour in the meantime to be, if not supermen, common ordinary men doing our duty by our constituents and by the country.

On motion of Mr. McMaster the debate was adjourned.

On motion of Mr. Graham the House adjourned at 10.25 p.m.

Monday, April 6, 1925

The House met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MR. F. R. ANDERSON

Hon. Mr. STEVENS:

1. Did the Solicitor General of Canada, or any other person representing the Dominion government, retain the services of F. R. Anderson, lawyer, Vancouver, British Columbia, to prosecute the Standard Junk Company in regard to sales tax claim for the sale of empty beer bottles?

2. On whose recommendation was the said F. R. Anderson retained?

3. Is the government aware that the said F. R. Anderson is under indictment in the United States for violation of the 18th United States Amendment in connection with the notorious Quadra rum running case?

4. Is the government aware that the said F. R. Anderson was released on a bail of $10,000, which bail was officially and formally forfeited in the United States courts, San Francisco, on March 10th?

5. Was the engagement of the said F. R. Anderson entered into by the government as an evidence of good faith with the United States government under the recent treaty with that country for the suppression of rum running?

6. In the opinion of the government, is it conducive to respect for law, order and good government in Canada, for the government to retain as prosecuting attorney of minor offences, one who is charged with a serious offence in a friendly neighbouring country, and who has forfeited his bail of $10,000?

Hon. Mr. COPP:

1 and 2. The firm of Russell Hancox and Anderson was retained in this matter upon the recommendation of the Minister of Justice.

3. Information has been received from His Majesty's Ambassador at Washington that F. R. Anderson was indicted in the United States on the charge of having committed a felony, namely a conspiracy to violate the prohibition and tariff laws of the United States in connection with the seizure of the Quadra.

4. The ambassador also reported that Mr. Anderson was released on a bail of $10,000 and that owing to his departure for Vancouver such bail had been ordered by the court to be forfeited.

5 and 6. Answered by 1 and 2.

BLACKFOOT INDIAN RESERVE—WHEAT

Mr. GARLAND (Bow River):

1. What quantity of each grade of wheat made up the total of 136,114 bushels marketed by the Blackfoot Indian Reserve in 1923?

2. What quantity of each grade of wheat made up the total of 60,756 bushels marketed by the Blackfoot Indian Reserve in 1924?

Hon. Mr. STEWART:

1. 1923—	
Grade No. 1..	71,217
Grade No. 2..	12,918
Grade No. 3..	20,890
Grade No. 4..	3,875
Held for seed or sold by Indians on permit, no record of grades kept..	27,214
2. 1924—	
Grade No. 1..	15,154
Grade No. 2..	15,773
Grade No. 3..	12,900
Grade No. 4..	3,055
Held for seed or sold by Indians on permit, no record of grades kept..	13,874

THOMAS R. MAYBERRY

Mr. SUTHERLAND:

1. What was the date of the appointment of Thomas R. Mayberry, of Ingersoll, Ontario, as a commissioner to investigate charges of alleged political partisanship against employees in the civil service or other government employees?
2. What investigations have been made by said commissioner since his appointment and what has been the result in each case investigated?
3. Is he still acting in the capacity of a commissioner as above?
4. What amount has been paid or is to be paid to the said commissioner in connection with each charge investigated?
5. What are Mr. Mayberry's qualifications for the discharge of the duties as commissioner aforesaid?

Hon. Mr. COPP:

1. Mr. Mayberry was appointed a commissioner to investigate charges of alleged political partisanship against government employees in the province of Ontario by O.C., P.C. No. 128 dated January 26, 1923.

2. Dept. of Railways & Canals—

(a) Jas. F. Shields, Dickinson's Landing, Cornwall Canal, pleaded not guilty, evidence insufficient to establish charges.

(b) Augustus Blackburn, Dickinson's Landing, Cornwall Canal, admitted charges; services dispensed with.

(c) John Waldroff, Dickinson's Landing, Cornwall Canal, pleaded not guilty; evidence insufficient to establish charges.

Post Office Dept.—

Charges of political partisanship preferred against (a) W. L. Trotter, postmaster at Sheguindah, (b) S. Brickman, postmaster at Sebringville, (c) Wm. Boyd, Postmaster at Kagawong. Postmasters found guilty.

3. Yes.

4. Railways & Canals department.

The amount paid above commissioner in connection with the investigation referred to was $188.75.

Post Office Dept.

Amount paid in connection with each charge investigated—(a) $141.70 (b) $68.95, (c) $225.50.

5. No information.

DR. M. A. McAULAY—DR. O. G. DONOVAN

Mr. BLACK (Halifax):

1. Is Dr. M. A. McAulay employed at Camp Hill hospital as a full-time physician?
2. If so, what is his salary?
3. Is Dr. O. G. Donovan employed at Camp Hill hospital as a full-time physician?
4. If so, what is his salary?
5. Is the department aware that Dr. Donovan also holds another public position in Halifax?

Hon. Mr. BELAND:

1. Yes: in charge of medical services in Nova Scotia, New Brunswick and Prince Edward Island.

2. $4,800 per annum.

3. Yes: as Medical Superintendent.

4. $3,600 per annum.

5. Yes. His work at the provincial health clinic is performed after regular office hours and does not interfere with his duties at the Camp Hill hospital to which he gives full-time service.

BANK NOTE CIRCULATION

Mr. SPENCER:

1. What was the average amount of bank notes in circulation in January, 1925?
2. What was the average amount of gold held by the banks for redemption of such notes during January, 1925?

Hon. Mr. ROBB:

	Average for January, 1925
1. $153,962,397.	
2. Gold and subsidiary coin held by banks	$58,791,322
Gold in central gold reserves.	9,276,727

In addition, there were in the central gold reserves, and in the hands of banks, $205,405,381 of Dominion notes.

It cannot be said that gold in hand, any more than other cash resources, is held for redemption of notes in circulation.

PUBLIC DEBT

Mr. STEWART (Leeds):

1. What was the amount of the net public debt of Canada at the close of each of the fiscal years 1920-21, 1921-22, 1922-23, 1923-24?
2. What is the estimated amount of the public debt of Canada at the close of the fiscal year 1924-25?
3. What amounts have been advanced to the Canadian National Railways by way of loan or guarantee and not included in the public debt of Canada in each of the four fiscal years mentioned in question number one and including refunding loans?
4. What is the amount of such refunding loans in each of the said fiscal years?

Hon. Mr. ROBB:

1.

1920-21	$2,340,787,983 69
1921-22	2,422,135,801 73
1922-23	2,453,776,868 74
1923-24	2,417,783,274 88

2. 1924-25 (Est) $2,431,487,112.00.

3. All loans from government cash are included in the net debt. Guaranteed bond issues not included in the debt:

1920-21	$50,000,000
1921-22	61,000,000
1922-23	Nil
1923-24	50,000,000

Equipment issues: In 1920-21 $27,000,000 of equipment trust notes, not guaranteed by the government, were issued. In 1923-24, $22,500,000 of equipment trust notes were issued, and in addition to being secured by the equipment as in 1920-21, were guaranteed by the government.

4. The proceeds of guaranteed bonds and government loans in cash utilized by the railways for the redemption of debt due the public were as follows:

1920-21	$56,382,626 17
1921-22	48,871,443 41
1922-23	25,275,902 04
1923-24	11,469,369 69

RURAL DELIVERY ROUTES

Mr. SPENCER:

1. How many new rural delivery routes were established during 1924?
2. In what provinces were these organized?
3. How many in each province?

Hon. Mr. MURPHY:

The answers to these questions are contained in a return to an order of the House which was laid on the table on the 2nd instant.

GOVERNMENT ENDORSED LOANS

Sir HENRY DRAYTON:

What sums of money raised by loans endorsed by the government remained in the hands of the Department of Finance at the end of the fiscal years 1923-24 and 1924-25?

Hon. Mr. ROBB:

1923-24, $18,424,837.67; 1924-25, $21,110,096.19.

QUESTION PASSED AS ORDER FOR RETURN

IMPORTATIONS OF APPLES, ONIONS, ETC.

Mr. MORIN:

1. What have been during the fiscal year 1923-24, month by month and in each province separately, the imports of each of the following articles: apples, onions, potatoes, tomatoes, butter and eggs?
2. What is the United States duty on each of these articles?

[Mr. C. A. Stewart.]

UNOPPOSED MOTIONS FOR PAPERS

WESTERN FRUIT COMBINE

Mr. MEIGHEN:

For a copy of all papers, reports, writings, telegrams, and other documents, in connection with the recent investigation into the fruit combine in the west and particularly all communications with provincial governments in relation thereto.

Hon. JAMES MURDOCK (Minister of Labour): Mr. Speaker, this is rather a large order. I gather from a memo before me that it would take six employees four months to complete the return. I might add that within the last two or three weeks Mr. A. McLeod Sinclair, K.C., of Lougheed, McLaws, Sinclair and Redman, Calgary, who is counsel for the Nash and Mutual Brokers' interests, has undertaken to secure from the department practically what this motion calls for, and has been refused in accordance with what appeared to be the right of the minister under sections 15 and 22 of the Combines Investigation Act. It is feared that if this information were placed in the hands of the Nash and Mutual Brokers' interests there would be discrimination against many growers in British Columbia and distributors of green fruits in the prairie provinces. Therefore we could not comply with his request.

Mr. MEIGHEN: Mr. Speaker, I do not know anything about the solicitors for Nash Brothers—

Mr. MURDOCK: Nash and Mutual Brokers. Their solicitors are Lougheed, McLaws, Sinclair and Redman.

Mr. MEIGHEN: I rise only to say that I know nothing about Nash and Mutual Brokers' interests, I never heard from them, and I did not know they had asked for the information. I do not, however, want to impose any unnecessary expense on the department. I had no intention of getting communications from the different grocers or fruit dealers. What I wanted was a copy of the report and of the official documents in connection with it—not the correspondence with individuals throughout the country—and the correspondence between the government and the provincial governments; that is all.

Mr. MURDOCK: My right hon. friend will appreciate that less than three months have elapsed since the report was placed in the hands of the attorneys general of the four western provinces. Our understanding is that they are now deciding what further action, if any, should be taken. If they decide not to proceed, then it would devolve upon this government to determine, under

section 22, what further action, if any, should be taken. Therefore it would not appear advisable at the present time to disclose the correspondence that has passed between the attorneys general of the provinces and this government.

Mr. MEIGHEN: I do not see the force of the objection, but I know the motion is not debatable now. There is a section under which the government has a right to wait three months—it does not have to, though—before entering prosecution itself. That I do not dispute, but it has nothing at all to do with the point. What this House is surely entitled to is a copy of the report and of the official correspondence. What harm in the world can it do to bring down the correspondence, say, between this government and Manitoba? That will have nothing to do with determining either Manitoba's attitude, or this government's attitude after Manitoba's is determined.

Mr. MURDOCK: Mr. Speaker, I will undertake to give that information—certain information. Let it stand in that way.

Mr. DEPUTY SPEAKER: What is to be done with the motion?

Mr. MEIGHEN: Let the motion be carried, subject to the restriction which I have placed upon it.

Mr. DEPUTY SPEAKER: Carried, subject to the arrangement entered into between the Minister of Labour (Mr. Murdock) and the right hon. leader of the opposition (Mr. Meighen).

Motion agreed to.

CANADIAN NATIONAL RAILWAYS—INDUSTRIES ALONG FORT WILLIAM LINE

Mr. HOCKEN (for Sir Henry Drayton):

For a return giving a list of the 200 odd industries referred to by the Minister of the Interior in his speech at page 1748 of Hansard, 1925, as having been established along the line of the Canadian National railway from Fort William eastward, and the location of each.

Mr. STEWART (Argenteuil): I am perfectly willing to file the order, but the information will have to be obtained through the Minister of Railways (Mr. Graham). With that understanding the motion may pass.

Motion agreed to.

PRIVILEGE—MR. MEIGHEN

POINT OF ORDER—FORM OF ANSWER TO A QUESTION

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I wish at this juncture to rise to a question both of privilege and of order. Rule 37 of this House covers the procedure which must be followed both in the case of questions and in the case of answers. That rule reads:

Questions may be put to ministers of the crown relating to public affairs; and to members, relating to any bill, motion, or other public matter connected with the business of the House, in which such members may be concerned; but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same. And in answering any such question the matter to which the same refers shall not be debated.

In the light of this rule I beg to make reference to a question put and an answer given in this House on April 2. The question is put by the hon. member for Kent, New Brunswick (Mr. Doucet) and, with the answer, appears at page 1780 of Hansard as follows:

Mr. Doucet:

1. What was the amount paid by the government in connection with the investigation and report made by Sir Henry Drayton in regard to the North Atlantic Steamship Conference and ocean rates?

It is to that question I refer, but I may as well read the second question although it is irrelevant:

2. What is the amount already paid and payable to Mr. W. T. R. Preston in connection with his investigation and report with the said matters?

I shall repeat the first question upon which I base my objection, together with the answer as given by the Secretary of State (Mr. Copp). They are:

1. What was the amount paid by the government In connection with the investigation and report made by Sir Henry Drayton in regard to the North Atlantic Steamship Conference and ocean rates?

Hon. Mr. Copp:

1. Sir Henry Drayton was carried on the paylist of the Board of Railway Commissioners for the period from July 31, 1913, to September 21, 1913, when he was employed on the ocean rates inquiry, and he was paid during the inquiry his regular salary rate as chief commissioner, namely $12,500 per annum, and $1,074 expenses.

I again desire to read the rule relating to this matter:

(1) Questions may be put to ministers of the crown relating to public affairs; and to other members, relating to any bill, motion, or other public matter connected with the business of the House, in which such members may be concerned; but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same. And in answering any such question the matter to which the same refers shall not be debated.

First of all, I would observe that no answer is given to the question as asked. The government, of course, may refuse to answer the question; I do not contend that it is bound to answer it. But if it does answer it is

bound to state the facts, and the government, under the rule I have just read, had no right to make a statement which is entirely aside from the answer and not explanatory thereof. In the first place, there is no answer in the present instance of which anything could be explanatory; consequently, this alleged answer is beyond the rule. I submit therefore that it should be expunged. The government was bound, in reply to the question asked, if it answered at all, to state the fact, which is that Sir Henry Drayton got nothing whatever for his services in connection with that inquiry; nor did any other payment made to him in connection with his regular work as chief of the Board of Railway Commissioners have the slightest relation to, much less was it explanatory of, the fact that he got nothing for this particular work. The attempted answer, the gratuitous reference to his being on the paylist, is all the more ungracious when we remember that not only was this work done by him in his holiday time on the railway board and free to the country, but that later his entire work in connection with the Drayton-Acworth report, which was the basis of the railway policy followed by the administration and which was a prodigious achievement, was also done entirely free of charge. Indeed, a cheque for $15,000 having been sent to him was returned. The same is true in regard to the work done by him as power, light and electricity controller for a long period in 1917-18 and, as well, as controller of food transports. These services were all given without remuneration, and in the face of that I think that the government, apart from what its legal right may have been, was most ungracious and unfair in this reply. I appeal to you, Mr. Speaker, as having supervision over both questions and answers, to see that they come within the rule; that supervision is given you, Sir, under the rule of this House which I have cited. I appeal to you to order that this supposed answer be stricken out and that question No. 1 be restored.

Mr. DEPUTY SPEAKER: Does any other hon. member desire to speak to the point of order?

Hon. E. M. MACDONALD (Minister of National Defence): I quite agree with my right hon. friend (Mr. Meighen) that the habit of putting questions asking for opinions of all kinds, including opinions on matters of law, has become altogether too frequent of late. But I cannot follow the hon. member in his argument as to the irrelevancy of the answer given to the question:

[Mr. Meighen.]

What was the amount paid by the government in connection with the investigation and report made by Sir Henry Drayton in regard to the North Atlantic Steamship Conference and ocean rates?

This question was only one means by which the House and the country could ascertain what amount of money had been paid the hon. member for West York (Sir Henry Drayton) in a certain capacity, and the answer as given in Hansard is merely a statement of actual facts. Questions are put to the government in order that information may be searched for; and that is the only way that information can be got. The mere statement of the fact that the hon. member was at that time a member of the Board of Railway Commissioners in receipt of a salary of $12,000 or so a year—which I assume would indicate that he must have been available for the government of the day for any special work of the kind referred to—does not constitute any assertion of opinion on the part of the government, nor is it any violation of the particular rule applicable to this case. As to the information in regard to the question relating to expenses paid, that I think is perfectly proper. And the answer is given to it. It seems to me that my right hon. friend is unnecessarily worrying over this matter. No answer given by the government is intended in any way to reflect upon the hon. member for West York (Sir Henry Drayton), nor does it in my opinion constitute any argument or expression of opinion; it is merely a statement of fact. The answer in this instance is simply the statement that the hon. member received a certain salary and certain expenses in his capacity as Chief Commissioner of the Board of Railway Commissioners.

Mr. MEIGHEN: The only statement made by my hon. friend which is pertinent to the argument I sought to advance is this, that the hon. member for West York having been at the time a railway commissioner in receipt of a certain salary, he was available—as the hon. member "assumed"—for any other services the government wished him to perform. The hon. member could not assume any such thing. Sir Henry Drayton was employed as railway commissioner by this country. Those were his duties, and those alone, within the compass of his salary. Consequently that assertion was not correct. He was not to be available at all. His services were given gratuitously.

Mr. MACDONALD (Pictou): He became available.

Mr. MEIGHEN: He made himself available, but the fact that he was railway com-

missioner had nothing whatever to do with his claim for remuneration. My point is this: The correct answer to the question was, "Nothing." What is stated here can only be justified as an explanation of an answer. There is no answer given to explain. If it had been given, it is no explanation. It has nothing at all to do with the fact.

Mr. MACDONALD (Pictou): That is a question of opinion.

Mr. MEIGHEN: It is not a question of opinion at all. A man is employed to do certain work. When he does that work he earns the salary assigned. I think the government would have been better advised to admit the hasty reply, agree to expunge this from the record, and give the right answer.

Mr. THOMAS VIEN (Lotbiniere): Mr. Speaker, I for one fail to follow my right hon. friend in the trend of his argument on this point. Nobody will deny that the hon. member in whose behalf he spoke is very deserving of consideration for the services he rendered, but the question being put as it was "What was the amount paid by the government in connection with the investigation and report made by Sir Henry Drayton?—I do not believe that a clearer answer and one more to the point could have been given than the one that was given, which says in effect that from the 31st of July to the 21st of September, 1913, Sir Henry Drayton was carried on the pay sheet of the railway commissioners of Canada, and as such received his ordinary salary of $12,500. I think the question being put as it was, the country was entitled to know what was the remuneration paid to Sir Henry Drayton, and the answer is to the effect that he was employed from the 31st of July to the 21st of September, 1913, and that while he was employed on the Ocean Rates inquiry he was paid during that inquiry his regular salary as chief commissioner, which was $12,500. I do not think there is any room for dispute in respect to that. The answer was directly to the point, and I do not think it gives occasion to raise either a point of order or a question of privilege. I for one am fully satisfied that the answer covers the question, and that it is an answer in fact to a question of fact.

Mr. ROBERT FORKE (Brandon): I think perhaps the answer covers the question, but more is given than is actually necessary in answering the question. It was not necessary in making that reply to state the salary Sir Henry Drayton was receiving as railway commissioner. A proper answer, if I may venture to suggest it, would have been to state simply that he was commissioner of railways at that time, and that he received no further remuneration for his services on this inquiry, except his travelling and other expenses here set out. It is framed a little awkwardly, perhaps not intentionally; I think it could have been framed in better words than are used. It is quite easily understood in reading the answer what the facts were, but there is more said in the reply, I think, than was really necessary.

Mr. MACDONALD (Pictou): If my hon. friend suggests as an objection to the answer that it states what the salary of Sir Henry Drayton was, surely he will not think there was anything wrong in that, because the way questions are being put in the House, the very next question might have been: "What was the salary of Sir Henry Drayton at that time?"

Mr. FORKE: That is not pertinent to the question. No one was asking what his salary was.

Mr. VIEN: The question was, what was the amount paid?

Mr. JOHN MORRISON (Weyburn): I hold no brief whatever for the hon. member for West York (Sir Henry Drayton), but I do not think that justice has been done him in the way the answer has been given to this question. Sir Henry Drayton, it appears, gave his services in connection with this inquiry at a time when he was on his holidays. He is now back in political life, and that has a bearing on the matter. If a man did that much gratis, for his country, I think he has the right to get the credit for it, or at least it is only fair that the public should know on what conditions he gave this service. But by making the statement that he was drawing his salary as a railway commissioner, as the answer does, it implies that during this inquiry he was serving his time as railway commissioner and getting paid for it. Technically, perhaps, the government has answered aright, but I think there is a further explanation coming to Sir Henry Drayton. I think there is more in what has not been said in the reply, than in what was said. I think the explanation should have been fully and impartially given. The answer that was given was a biased answer, in my opinion. I do not think justice was done to the hon. member.

Mr. DEPUTY SPEAKER: If there is no objection, I would like to let this matter stand until I have given it further study. I did not know the point was to be raised.

INQUIRY FOR RETURN

TRANSFER OF NATURAL RESOURCES OF THE PROVINCES

On the Orders of the Day:

Mr. J. A. CLARK (Burrard): On the 23rd of February two questions appeared on the order paper in my name. Subsequently they were passed as orders for returns. They relate to the transfer of certain natural resources in the provinces of Ontario and Quebec, and also to the cost of administration in the North West Territories. I would like to ask the government when I may expect these returns.

Hon. CHARLES STEWART (Minister of the Interior): The officials of my department had this question of the transfer of natural resources up with me on Saturday, and I intended to speak to the hon. gentleman about it to-day. They informed me that it would take a very great deal of time to prepare the returns in the way the order reads, and if the officials could have a little conference with my hon. friend, I think we would be able to arrange so that he could get the information he requires. I am sure he does not want the information in the form one would infer from his question, and a little conference would settle the matter.

THE BUDGET

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

The House resumed from Friday, April 3, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. ANDREW McMASTER (Brome): Mr. Speaker, I wish first of all to take up certain matters connected with the budget, and to deal with certain statements in the budget and certain criticisms concerning such statements. In his short but clear budget speech, the Acting Minister of Finance (Mr. Robb) made this statement:

> In addition to this surplus on government business over the year's transactions, the sum of $4,000,162 must be taken into account as an improvement in our financial position by an additional active asset having been added to our balance sheet, arising from negotiations begun in 1922 by our High Commissioner in London with the governments of the kingdoms of Roumania and Greece for the consolidation of our loans to those countries, with arrears of interest, thus placing their obligations upon a sound financial basis. The arrears of interest were: Roumania $3,520,636, and Greece $749,526.

This would appear to be a very clear and a very natural statement. But it was the occasion for an outburst of oratory on the part of the hon. member for Fort William and Rainy River (Mr. Manion) which I think merits some attention. We all love to hear that hon. member who, I regret, is not in his seat; there is a certain freshness and boyish enthusiasm about everything he says which enables us to listen to his remarks with pleasure. But we must not take those remarks too seriously, because, as I will point out in the course of my remarks, his statements are often inaccurate—no doubt without the slightest intention—and therefore misleading. In reference to the statement made by the Acting Minister of Finance (Mr. Robb) the hon. member for Fort William and Rainy River used expressions such as these:

> What kind of gold brick financing, what kind of political shell game, is the Acting Minister of Finance trying to put over on the unsuspecting people of this country?

He compared the financial operations to the South Sea Bubble; and coming nearer to present day affairs he compared them to the Home Bank financing; and then leaving the realm of fact for the realm of fiction he compared the Acting Minister of Finance—than whom a more respectable personality does not exist in this House—to that prince of crooks Mr. Wallingford, whose exploits are generally found chronicled in the Saturday Evening Post. Was this correct? I must say as I listened to it that I thought the matter would be well worth some attention so I have looked into it. What was the situation? We loaned—I will not say in the halcyon days when the right hon. leader of the opposition (Mr. Meighen) led this country, but in those troublous times—we loaned to Roumania in round figures about $17,000,000 and to Greece about $7,000,000. We loaned it in this fashion: A number of manufacturers—some of whom were friendly, in fact I think most of them were friendly, to the government—sold goods to Roumania at prices no doubt profitable to themselves, and the Canadian people footed the bill,—and took what amounted to promissory notes of the kingdoms of Roumania and Greece. For some time there was no interest paid on those promissory notes. If I mistake not, Roumania paid interest for a few months, and then brushed aside the High Commissioner for Canada who was trying to get the interest on the debt; and Greece fell behindhand to the extent of about fifteen months' interest. That was the position when this government came into office, and when Hon. P. C. Larkin was made High Commissioner in London. We had these two debts, one against Roumania and one against Greece—one for about $17,000,000 and the other for about $7,000,000. We

had what amounted to the treasury bills of Roumania, and at that time the Roumanian government was not dealing seriously with our claim for our interest. What happened? The gentleman who has the honour to be High Commissioner for Canada, a gentleman who is devoting to the business of this country the same energy and the same skill which enabled him to make a great success of his own business, in common parlance "got after" the kingdom of Roumania and the kingdom of Greece. He got these debts secured, and I will tell you in a minute how they were secured. He also obtained evidences of the debt in the form of government bonds for the arrears of interest; those arrears had not been capitalized before that date. If you will look at the Public Accounts for the years 1921, 1922, 1923 and 1924 you will see practically the same figures for these two debts in all those four years. If it was right to make an active asset of these advances to Roumania in the year 1921, when the leader of the opposition and his friends were in charge of the financial affairs of this country, without providing for a reserve for them as being doubtful debts, it was perfectly right to continue this system. There was no capitalization of interest—there was no capitalization of interest necessary because the interest was paid and paid promptly after 1922; nay, in the case of Greece there were certain small payments made on account of capital. Now what has happened? Instead of the promissory note of Roumania we have got the bonds of Roumania. And that is not all. Among the governmental financial resources in Roumania are certain export duties. These export duties are applied to wheat, to oats, to barley, and to maize or Indian corn. Now we have obtained a prior lien upon what is produced by these duties. I have in my hand, and I will ask leave to place upon Hansard, a table wherein is found a list of the exports from Roumania in 1921, 1922 and 1923 in metric tons for wheat, oats, barley and maize:

Exports of Cereals from Roumania during years 1921, 1922 and 1923, on which duties are levied applicable for security of Canadian loan to that country with rates.

	Metric Tons			Rates
	1921	1922	1923	
Wheat..	75,691	28,110	30,369	4,500 lei per ton or say £4 per ton
Oats	165,466	228,673	168,467	£2—16/
Barley..	387,168	581,986	798,084	£2—16/
Maize..	769,149	291,649	669,382	£4—4

You find at the extreme right hand side of this table the rates of duties. One rate of duty in the currency of Roumania is called a lei. Four thousand five hundred lei per metric ton is the export duty which is imposed upon wheat. That works out to about four English pounds per ton, say $20 per metric ton; and a metric ton is three hundred and sixty bushels. The other duties are found also in this table. And these duties from this country with a population almost twice as large as our own—for Roumania now has a population of 17,000,000 and over—amount in my computation to $26,000,000. We have a first claim upon this revenue. I do not say we have got a sole claim; but our debt is secured upon this revenue. Roumania is one of the great food producing countries of central Europe, and it would look to me in view of the financial operations of this government and of our representative at London, that we have really good security for a debt which was at least doubtful before. I think that the government and its representative at London are to be congratulated, not criticized, for this operation; and I trust that after this explanation some member of the Conservative party will have the grace given him to get up in this House and withdraw these assertions which have been so recklessly advanced against the transactions of the government in this regard.

Now what about Greece?

Mr. HANSON: Does the hon. member think that the Acting Minister of Finance (Mr. Robb) was justified in taking these bonds into account, as part of a surplus for the fiscal year concerning which he was giving the House information, regarding them as actual receipts for the current year? Bonds, no matter how well secured, are simply promises to pay.

Mr. McMASTER: Bonds, no matter how well secured, are simply promises to pay; that is quite true. But while a bond which is well secured is not cash it is the next thing to it. The minister was most fair in the statement which he made, and unless it be to a mind searching out for evil that is looking into this situation there is nothing to mislead, nothing to deceive. The minister made it perfectly clear that this was something of an extraordinary nature, that it was not in the ordinary purview of the year's transactions. In one sense it is not part of the surplus; but in another sense it is an accurate statement that the financial position of this country, as disclosed by the books of the government, has been bettered to the extent of $4,000,000.

Mr. CHAPLIN: The Acting Minister of Finance, speaking of this matter, on page 1531 of Hansard, said:

This amount is available to be applied on account of our loan to the Canadian National Railways.

Will the hon. member kindly explain that?

Mr. McMASTER: I presume we cannot run the Canadian National Railway on Roumanian bonds. I agree with that. But you may pick out this portion of the speech, you may pick out that portion of the speech, and you may say, "Is this right?" or, "Is that right?" But I say that if the hon. member for Lincoln (Mr. Chaplin) who is a business man of experience, will sit down and read this budget carefully, he will not have the slightest misapprehension as to exactly the transactions which are set out there.

Mr. CHAPLIN: I would not expect to pay any debts with something that had not come in.

Mr. McMASTER: Perhaps not; I presume that perhaps my hon. friend's business is so prosperous that he does not have to do so, but I know many a merchant who takes to the bank debts due to him by his customers, endorses them to the bank, raises the money on the securities and does pay his debts in that way.

Mr. MEIGHEN: Will my hon. friend explain this point? He claims the debt is a good debt now, but was a bad debt before. I understand his reason is the fact that they have agreed that the debts would be charged against certain revenues. Suppose that Roumania does not do as she said she would do—and it would not be the first time—and does not pay it out of the revenue, what recourse has this country? Would we go into possession with our trawlers, or what would we do?

Mr. McMASTER: No. I see the line of humour which was on the bench behind has moved forward to the front bench. If Roumania "goes broke," this debt would not be a good debt any more.

Mr. MEIGHEN: That is not the point. We had the word of Roumania, the promise to pay, and we have that yet. Will the hon. member explain what else we have that we can enforce and how we can enforce it?

Mr. McMASTER: As a matter of fact, if war broke out, or if Roumania refused to pay, I suppose it would be extremely difficult for us to collect the debt.

Mr. MEIGHEN: We would have "the credit of Roumania."

Mr. McMASTER: We have the credit of Roumania, but we have certain revenues of Roumania specially earmarked for the payment of our debt. It is not a new thing at all. Before the war certain revenues of Turkey were placed in the hands of certain commissioners under earmark for certain advances given by European countries to Turkey. It is not an unknown method.

Mr. MEIGHEN: In both cases the countries in whose favour the charge was given were represented and had themselves power to enforce payment. We have none at all. We have just their word.

Mr. McMASTER: Of course the credit of Roumania is what we have to look to.

Mr. MEIGHEN: Hear, hear.

Mr. McMASTER: But it would seem to me an extraordinary thing that the hon. gentleman should endeavour to depreciate the security which we now have.

Mr. MEIGHEN: I do not.

Mr. McMASTER: That is the whole tenor and substance of the remark of the hon. member.

Mr. MEIGHEN: It is not of that nature whatever. What I say is that our security is now what it was before any action was taken. Therefore, the security should be treated the same.

Mr. McMASTER: I say the security has been improved by the earmarking of certain revenues, and by no means small revenues. I calculate that these export duties in the last year on wheat, oats, barley and Indian corn amounted to over $26,000,000. Those have been earmarked for the special payment of this as well as other debts, and that is an improvement, and especially is it worth something when we remember that Roumania has been paying since 1922 interest on the debt.

The next point to which I wish to advert is the question of the duty on coal. Certain coal duties on run of mine coal have been reduced from 53 cents to 50 cents per ton. The duties on bituminous slack coal have been increased from 14 cents to 50 cents a ton. I approve of the reduction, but I disapprove of the increase, and I propose to place before the House my reasons for my attitude in that regard, but before I enter upon a discussion of this question may I be allowed to offer a very respectful tribute to the member of this House who took upon herself the duty of going into the coal fields of Cape Breton and examining the situation there for herself? I say that nothing that concerns the welfare of the Canadian people can be an improper matter for attention by the members of this House. The condition of workers in any part of this coun-

try is a matter which concerns this House. If it does not concern this House, why have we a Minister of Labour, and why do we have appropriations every year for the carrying on of the Labour department? Now she brought to her study humanitarian feelings, for which her sex is pre-eminent, and I am sure that all those who listened to her would better appreciate how the situation appeals to a woman who went down there to look into it for herself. First of all, we have the reduction in coal duties. I do not want to minimize the reductions set out in this budget, I want to give them their full value; and the saving to the Canadian people by this budget in respect of bituminous coal will amount to about $315,000 in the next fiscal year, provided that the consumption be merely equal to the consumption of last year. If it should be increased—and of course a decrease of duty would make us expect an increase in consumption—then the saving to the Canadian people would be considerably more.

I wish to deal with the question of the increased duty on slack coal. But before I deal with it may I say a word as to how the coal areas of this continent are distributed? We have in the extreme east of Canada, in the island of Cape Breton, valuable beds of bituminous coal which have now been worked for many years. In mid and western Alberta we have beds of bituminous and anthracite coal. Within, a hundred miles south of lake Erie we have the great coal fields of Pennsylvania and further south those of West Virginia. This is, roughly speaking, how the coal beds of the North American continent which affect us economically are situated. Now, what will be the effect of raising the duty on bituminous slack coal? That class of coal is used generally for industries. First of all, let me make the point that freight rates are a determining factor in many cases, a more determining factor in the price to the consumer of coal than is the expense of mining the coal. That is something, which should never be forgotten in a discussion of the coal question. The raising of the duty on slack coal by thirty-six cents may enable the coal mines of Nova Scotia to sell to a greater extent than they do now in what is their natural area of supply. I take it that under present conditions their natural area of supply will extend up the St. Lawrence river about as far as Montreal, and the increased duty may enable them to meet American competition and to go as far west as Ottawa. From the best information which I have been able to obtain, I take it that that may mean an increase of some 400,000 tons in the sale of slack coal, and if you give them a profit on this of fifteen cents a ton, that would give them an advantage of $60,000. The question I wish to put to the House is this: Is there any assurance that that $60,000 which after all is not a very large sum, will enure to the benefit of the working miner in Nova Scotia? What is the other consequence? If one drew a line from, a point say, Windsor in Ontario, as far down as Montreal, then drew a line up to somewhere near Owen Sound, and finished up the triangle, there would be enclosed in that triangle most if not all, of industrial Canada. The city of Quebec has great industries; the flourishing and beautiful little city of Sherbrooke in the eastern townships has industries, but eighty-five or ninety per cent of the industries of Canada are inclosed in that triangle. How will the raising of the coal duties affect the industries in that part of the country? Let us suppose that the prices of bituminous coal remain as they are in West Virginia and in Pennsylvania—and I think the chances are that they will, because I am told that they are now on a low competitive basis. A man told me the other day that he paid for slack coal f.o.b mine head something like 90 cents a ton, and of course a tariff of 50 cents a ton is a tariff of over 50 per cent, as regards the price of the coal, not as regards the price of the coal plus the carriage of it. Let us suppose also that the railways of the United States maintain the rates which they have now. If both those conditions remain constant, this will mean that the price of American slack coal will be raised by 36 cents a ton to the Canadian manufacturer who uses it as a prime article entering into his cost of production. That, I take it, is not a good thing for the Canadian manufacturer.

Mr. MALCOLM: How many Ontario manufacturers in that district use slack coal?

Mr. McMASTER: I do not know.

Mr. MALCOLM: Very few.

Mr. McMASTER: There will be some. My hon. friend, who is a manufacturer, says there are very few. If there are few, those few are entitled, for reasons which I believe will commend themselves to the judgment of the House, to be treated with consideration and not to have a 50 per cent duty placed on something that enters into their cost of production.

Mr. LOGAN: Does the hon. gentleman not think the starving miners of Cape Breton also deserve some consideration?

Mr. McMASTER: I do, and if this government or any other government in power in this country had come forward with an appropriation for the starving miners of Nova Scotia, I would have voted for it with a great deal more enthusiasm than for a Hector celebration.

Mr. LOGAN: That might relieve an acute situation to-day, but what about the months and years to come?

Mr. McMASTER: Quite so. I am going to deal with that in a moment. It will raise the price of slack coal to those manufacturers who use it throughout that industrial area of Canada. That is a bad thing for the Canadian manufacturer and the Canadian consumers. It is bad for the Canadian manufacturer, not only when he is supplying the Canadian consumer, but when he is going out into the markets of the world, when he is taking, for instance, a shipload of goods down to South Africa, where I understand the government has made a contract for the purchase of coal, for the creation of electricity, at something under fifty cents a ton. This is the competition which our friends, the manufacturers, will have to meet and which, I believe, they should be given the best possible opportunities of meeting.

But there is another question. What is the result of this increase in price to the Canadian manufacturer? He will not be buying Nova Scotia coal because it will not pay him to buy it even when the duty is raised thirty-five cents a ton. He will buy the American slack coal and he will pay the increased price. That increased price will enter into this cost of production, and in the long run it will be borne by the Canadian people. Therefore, in that connection the Nova Scotia miner, whether employer or employee, will not benefit.

Mr. LOGAN: Is the hon. gentleman aware that the legislature of Alberta, which is supposed to be almost as near free trade as the hon. gentleman himself, passed a unanimous resolution in favour of increasing the duty on slack coal?

Mr. McMASTER: If that is a matter of fact, I am sorry they did, and they will be sorry they did.

Mr. GARLAND (Bow River): With all due respect to the speaker, I would suggest that the interrupter produce evidence that the Alberta legislature did pass such a resolution.

[Mr. McMaster.]

Mr. LOGAN: It has already been produced.

Mr. McMASTER: I did not understand that the legislature of Alberta had passed a resolution. I understood that the Premier of Alberta approved this raising of the duty. But the responsibility for the regulation of trade and commerce of the Dominion of Canada rests in this House and not in the hands of the Premier of Alberta, nor indeed in the legislature of Alberta. I would say this to the Premier of Alberta: There is hardly a part of this country which is not more affected by the protective principle, and I know nothing which will do more to destroy the tendency towards free trade in this country than for the protectionists to be able to point to how the leaders of the movement for lower duties have asked for raising of duties on things in which they are specially concerned. That applies as well to the Premier of Nova Scotia as the Premier of Alberta.

Another point I wish to make is this, and it was brought very graphically home to me by a gentleman who visited this city the other day. He said: "I am responsible for the management of a large office building in Montreal, and as soon as this proposed duty was brought down on bituminous coal, I changed over the grates of my furnaces so that I could burn low grade anthracite coal on which there is no duty." What may be the result—and this is a fact which will operate towards the result—is not to give more work to the miner in Nova Scotia, but to take work away from him, to force the use of a substitute article, the use of anthracite rather than that of bituminous.

4 p.m.

Mr. LOGAN: Why not put a duty on anthracite?

Mr. McMASTER: My learned and hon. friend from Cumberland says: "Why not put a duty on anthracite? That would be a revenue tariff." The hon. member for Kent, N.B. (Mr. Doucet) also proposes a duty on anthracite. I say this to these gentlemen: If there is one prime necessity in Canada after the clothes we put on our backs and the food we put into our stomachs, it is the warmth we put in our houses. I say that raising the price on fuel is a tax on, not only the comfort, but the health of the Canadian people. I believe those who advocate raising the duty on coal, especially the duty on coal which is burned in our houses, are making a grave mistake and they are following a policy which is modelled on madness.

Mr. LOGAN: Mr. Speaker, does the hon. gentleman contend that the householders of Canada burn slack coal, either bituminous or anthracite?

Mr. McMASTER: No, I do not. But I was answering not only the interjection of the member for Cumberland, (Mr. Logan) but also the argument of the member for Kent (Mr. Doucet) in the course of his speech on Friday. After all, the principle is exactly the same, and I will say this to the House, if this principle were carried out to its logical conclusion, and you raised the duties high enough to force us all to burn our own coal, hauling it to central Canada from the two extremes east and west, it would cost us for our warmth and power twice as much as it does to-day, and that burden in the long run would have to be borne by the consumers of Canada. What does that mean? You know, it was the last straw that broke the camel's back and if you raise the cost of living too much in this country you defeat your own object—the people do not stay; they go somewhere else.

Now I wish to address myself to what I consider to be the real remedy for the coal situation, and that is to take off all duties on coal. You ask me, why. I have endeavoured to point out where the great coal areas of this continent are found. They are found in the extreme east of Canada, in the extreme west of our middle west, and south of the Great Lakes in the United States. There is where we get our supplies. Now, there is no duty on coal going into the United States except against countries which impose a duty on American coal. Let me read paragraph 1548 of the American tariff, which will be found in the free list running from page 72 to page 85 in the Tariff Act of 1892. The United States is a high-tariff country in some regards, but it is also a country with a large and extensive free list. Now I read paragraph 1548:

> Coal anthracite, bituminous, culm, slack and shale; coke; compositions used for fuel in which coke or coal dust is the component material of chief value, whether in briquets or other form; provided, that if any country, dependency, province or other subdivision of government imposes a duty on any article specified in this paragraph, when imported from the United States, an equal duty shall be imposed upon such article coming into the United States from such country, dependency, province or other subdivision of government.

The natural markets for the mines of Nova Scotia are those parts of this continent which can be served by water carriage. It is quite true that many of the mines of Nova Scotia have been worked for a long time. I was told the other day by a gentleman who was formerly a member of this House that in one mine they have to pump out seven tons of water for every ton of coal mined.

Mr. LOGAN: In many cases it is more; in one it is thirty-five tons of water for every ton of coal.

Mr. McMASTER: One would think that mine belonged to Besco and that some of the water from the stock had got into the mine. But the point is this, it may be very expensive to mine coal in certain mines of Nova Scotia, it may be that in certain of those mines, notwithstanding the expense of mining the coal. the cheapness of carriage from the mines to the consumer may offset that cost. If it does not, if the operation is uneconomic, we are too poor a country to be able to carry on the uneconomic exploitation of coal mines or of anything else. But granted there is a great field for coal mined in Nova Scotia, that great field which under free trade conditions in coal, they can supply by water carriage in the summer as far west as Montreal, perhaps a little further—it is about a thousand miles from Cape Breton to Montreal by water—and within that distance to the south you will find Boston and the great manufacturing towns of the New England states, which do consume soft coal. There is the potential market for the coal of Nova Scotia, and I believe that in the long run there would be more money made in Nova Scotia if this policy I advocate were adopted than by trying to tax the Canadian people into burning coal from Nova Scotia when cheaper coal is near at hand. Now, let me turn to Alberta—

Mr. HANSON: Before the hon. member leaves that point, does he suggest that it would be possible for any coal mine in Nova Scotia or New Brunswick to meet the competition of the West Virginia bituminous mines where apparently they are able to raise their coal and put it on board ship at Newport News at $2 a ton run of mine?

Mr. McMASTER: It will depend entirely on where the customer is located. If they have a long haul by land to their customer, I would say that they might not be able to compete. I do not know. But for the purposes of my argument, I repeat, Canada is too poor a country to carry on coal mining operations in order that certain people who could get employment elsewhere may be employed in mining coal. And apparently from what we hear it is not just the richest blessing in God's world to be engaged in the coal mines of Nova Scotia. But that, I believe, is their potential market.

Now, what about Alberta? The potential market of Alberta is in Canada as far east as Winnipeg. I am told that under ordinary circumstances it is profitable and economic to ship Alberta coal into Winnipeg, and that at one time it was being shipped there, but that the Alberta mines lost a certain amount of the business through industrial disputes—through strikes, perhaps lock-outs. For the purpose of my argument I am not concerned whether it was the employers' fault or the employees'; it possibly was the fault of both; but what I say is, men in the coal mining industry or in any other industry cannot have a merry war between themselves and then ask the Canadian consuming public to foot the bill. If they are going to fight about the hours of work, if they are going to fight about wages, then I would urge them not to fight, but I would add, "If you do fight you will have to pay the piper yourselves, you cannot ask the Canadian public to do so."

Mr. DUFF: But you are willing that the government should vote money to encourage strikes?

Mr. McMASTER: I am not willing that this government should encourage strikes; but there is an occasion when even economic theory and practice that perhaps are as dear to me as to any man in this House give way, and that is when women and children are starving. I will drive a coach and four through all my ideas about free trade, non-interference of government and anything of that sort in order to keep women and children from starving—and I believe that 99 per cent of the Canadian people agree with me. Now I wish to turn to another phase—

Mr. GOOD: Before the hon. member proceeds, what about the possibilities of Alberta coal going south? That was not mentioned by him.

Mr. McMASTER: I want to mention that. I am told that even to-day Alberta coal is sold in North Dakota and Montana—in those northern states which fringe our southern boundary. If they go in there now they have to surmount a duty equivalent to the duty which American coal has to surmount coming into Canada.

Mr. STEWART (Argenteuil): More than the mere duty.

Mr. McMASTER: They will of course have to surmount the expense of carriage, but the duty will be the same.

[Mr. McMaster.]

Mr. DUFF: If there is a duty on coal going into the United States, how do you expect Nova Scotia coal to go into New England?

Mr. McMASTER: My hon. friend probably was not in the House when I made my statement.

Mr. DUFF: Yes, I was here.

Mr. McMASTER: The point is this. As soon as we take the duty off American coal coming into Canada the duty will automatically go off Canadian coal entering the United States. There is free trade in the United States, so far as coal is concerned, except with such countries as refuse to let American coal in duty free.

Mr. LADNER: If the hon. member's view is sound, how does he account for the fact that Premier Armstrong and the people who know the actual conditions in Nova Scotia advocate the very reverse proposition?

Mr. McMASTER: The government of Nova Scotia is the unfortunate landlord of Besco and it is to the advantage of that government, which collects a large amount of its revenue from the Nova Scotia coal mines, to keep those mines going. They think that the mines will be kept going through the imposition of this duty. But I think that if they took a long view of the matter they would be of the same opinion as myself. After all, I do not believe there can be any more dangerous doctrine for this House to accept than the doctrine that the trade policy of Canada must be governed by pulls and pushes from different parts of the country.

Mr. LADNER: Does the hon. gentleman know of any responsible person in either labour or business circles in Nova Scotia who advocates the policy he is bringing forward in this regard? Does he know of anyone who is in any responsible position there who does not advocate a protective tariff in the matter of coal?

Mr. McMASTER: I have not the acquaintance of all the responsible people of Nova Scotia but I will give the hon. gentleman one striking instance. Some years ago a gentleman named Carmichael was appointed a senator from the province of Nova Scotia. As far as I remember he never took his seat in the Senate, or if he did it was only for a short time. Before that he was a member of the House of Commons; and the question of coal duties coming up, although he represented a county in which there were coal mines, he took the view that a duty on coal was not in the interests of the Canadian

people and he voted against such a duty. I do not know whether he ever presented himself for re-election; perhaps he never got the nomination; if he did stand for election he was probably beaten. But I say that Senator Carmichael is a much sounder example for me in my humble capacity to follow than those who would be governed in their conduct here by interested advice that comes from different parts of the country.

Let me now deal with the question of the export of electrical power, upon which the government has placed a small duty. I have no objection to this duty so long as it is very small, but I would point out that any high duty will defeat the very object which I think we should have in view in connection with the development of our electrical power. We need in Canada every possible means for paying our way; let me put it in that homely fashion. And if we can, either through the use of our own capital or by means of capital that comes from abroad, develop the manufacture of electrical power which is more than sufficient for our own needs and have a surplus for export we are doing a wise thing in Canada to export that surplus; we are making money of the water which otherwise would flow away to waste. What are the objections to the export of this power? They are objections with which I have little patience; they are founded upon fear of the United States, fear that in some way or other which is not explained there will be difficulty when we need the power for our own use. Electric companies would rather supply industries close at hand than industries at a distance; that stands to reason. There is a certain wastage in electricity as it passes over the wire—not much wastage, it is true, thanks to recent scientific improvement. But the longer the line of electric wire you have to maintain the more the upkeep will be. So that any company that develops electrical power will always be glad to supply the home customer before it begins to export.

Sir HENRY DRAYTON: Can the hon. gentleman tell me what the power rates are in Montreal and just across the river here, the electricity in each case generated by Canadian water?

Mr. McMASTER: I cannot tell my hon. friend.

Sir HENRY DRAYTON: Would the hon. member like me to give him the information?

Mr. McMASTER: I shall be glad to have it. But the point I want to make is that the fears in this regard are idle; they are imaginary. How silly it is for us to talk that way, when we own a railway line running from Detroit to Chicago, our property. And we know that half if not more than half of our line from Portland to Montreal is in American territory. Why, the Americans have invested in this country, I think I am safe in saying, $2,500,000,000. We have both of us given hostages for our good behaviour, the one to the other. We cannot therefore afford to play the dog in the manger with the United States. The best thing for us to do if we want to be friends is to show ourselves friendly; that is the proper attitude, the only attitude which can make us a successful people on this continent. I have heard the argument advanced that if we ship electrical power to the United States we shall increase the prosperity of that country. Granted. But I want to see the United States prosperous. The farmers of my county send a lot of their cream down to Boston, and the richer the Boston people are the more will they be inclined to use cream rather than milk with their cereal—I understand they call porridge "cereal" in the United States. And the same thing applies to the county of Richmond; the people there are sending their cream to New York. I was in conversation the other day with a gentleman who is a large Jersey breeder in Richmond county and he told me that the farmers co-operating with him had sent to the American states during the past year $187,000 worth of cream and he hoped that during the coming season they would send a quarter of a million dollars' worth. We have real advantages in this regard over the United States. I may observe here that to-day milk is being taken to New York from incredible distances; my informant of the other day told me that milk was being shipped to New York from states as far west as Missouri. It seems almost incredible, but we can understand how it is done when we know that the product is sent in great glass tank cars which are constructed on the principle of thermos bottles. Now, the milk which is got from cows feeding in the hotter parts of the United States has not the flavour of the milk that comes from cows that browse on the hills of our beautiful eastern townships and that drink our spring water. In New York a premium is given on what is known as state of Maine milk, and the milk that comes from our eastern townships is very much of the same nature and is able to command the same premium. It seems to me therefore that the policy of allowing the export of electrical power, if we have it to sell, is a sound one. We are not dissipating our re-

sources in any way in so doing but are rather increasing them and turning them to account. And the blessed thing about the export of such power is that at the end of the year we have as much to send out as we had when the year began.

I am afraid I am detaining the House somewhat, but I have now to deal with some of the remarks made by the former Minister of Finance (Sir Henry Drayton) and by the hon. member for Fort William and Rainy River (Mr. Manion). If my hon. friend who is always so genial will forgive me, I will say this thought occurred to me: That a firm had been established, Drayton, Manion & Co., Purveyors to the Canadian people of Inaccurate Historical and Unsound Economic Information. So that I will not be held in any way to misquote my hon. friend from Fort William and Rainy River, especially in his absence, I would like to quote what he said concerning the introduction of free trade into Britain. Some will ask, what is the use of threshing that old straw? What is the use of this historical information? Why can't you let your poor friends Richard Cobden and John Bright lie quietly in their graves without bringing them out on all and sundry occasions? I will tell you why I refer to them. I refer to them because I believe that at some time in this country we are going to have the same sort of struggle as they had eighty years ago in Great Britain, as to whether special privilege in the interests of the few is to govern this country, or whether the country is to be governed in the interests of the mass of the people, and I think that anything which will give us information as to that great struggle in the Old Land is of great value to us. The hon. member for Fort William and Rainy River said:

> The lessons of history teach me that there has been no country in the world that has ever progressed and reached prosperity except under a protective tariff. I make no exception when I say that. I do not wish to be diverted again, because I have taken up too much time now. But Great Britain, up till 1846, had the highest kind of protection, so high that she at times prohibited imports into Britain of lines of goods that interfered with home producers. She did not bring in free trade until 1865.

Now that is particularly inaccurate, and being particularly inaccurate is most alarmingly misleading. What are the facts? The facts are that Great Britain, like nearly all countries in the world, interfered with trade and commerce in its early days. The idea that trade should flow freely, that the law of supply and demand should receive its application, is a comparatively modern idea. The old kings who governed the nations of the earth in days gone by were always interfering with

the trade and commerce of their respective nations, and Great Britain, instead of being one who the longest retained protective duties, was one of the first to start to get rid of them. Sir Robert Walpole in 1721 removed the duties on 106 articles of export, and on 38 articles of imported raw material. There was the beginning of the free trade movement. Then about the time of the American revolution there appeared in Great Britain a revolutionary book. It was written by a Scotch college professor, whose name was Adam Smith, and he exploded a great many of the fallacies which had lain at the basis of the thinking of statesmen in the years which had gone before, and he made a convert—of whom? I heard the genial member from Nanaimo (Mr. Dickie) the other night say that free trade was only believed in by old-fashioned professors and people of that description. Well, one of the converts Adam Smith made by his monumental work was one of the greatest statesmen Great Britain has ever produced, the younger Pitt. He thoroughly appreciated the views of Adam Smith, and he started putting them into practice. And what happened? Wars stopped his process in that regard, as war stops most beneficent reforms for the good of humanity, but prior to the breaking out of the Revolutionary war which with the Napoleonic wars kept Great Britain and France at daggers drawn from about 1793 to 1815, William Pitt had made substantial reductions in the British tariff. Then Huskisson came in 1823, and removed a large number of duties. So that, in 1840, when Great Britain was collecting a little over £20,000,000 in customs duties, only £1,000,000, or five per cent, was collected on manufactured goods. If gentlemen of the House would care to examine this question, I would invite them to study the proceedings of the select committee of the British House of Commons which in 1840 examined into this question. Then Peel reduced the tariff on 750 articles in 1842, and again on 450 more in 1845. In 1846 Peel used these words:

> Notwithstanding the history of the tariffs of foreign countries the declared value of British exports has increased above £10,000,000 during the period that has elapsed since the relaxation of duties on your part in 1842.

True it is that all duties were not removed until the sixties, and even the seventies, but I would appeal to this House to agree with me that possibly Disraeli, the Conservative leader of his time, is a better authority as to what happened in Great Britain then than even the new convert to the Conservative party in this country, the hon. member for

Fort William and Rainy River. In 1850, on one occasion, Disraeli dined with John Bright. There was a strange friendship between these men. They were absolutely different. They regarded public questions in an entirely different manner, but they had something in common, and they had a liking for each other. They sometimes dined together, and John Bright mentions in his diary how in 1850 he dined with Disraeli, and Disraeli said that protection was dead. When, two years after, the Conservative government was formed under Lord Derby, it was Disraeli who said that protection was not only dead but was damned.

My hon. friend from Fort William and Rainy River went on to say:

> No country has grown great industrially or commercially except under a system of protection.

I suppose his inference is that the greatness of countries was bound up in their having adopted and continued the principle of protection. All the great countries were protectionist, and the majority are yet, but the great trading countries of the world have become the great trading countries of the world and the great commercial countries of the world because they did not adhere as closely as others did to the system of protection, because by their geographical position they were able to trade with more freedom than other nations were. Who were the great carriers of the middle ages? Was it not the republic of Venice, situated right on the sea, partially in the sea, in fact? Then the carrying trade moved to Portugal, situated on the sea. Then again to Holland. Holland is one of the great examples of a country which for centuries has followed a low tariff policy. Then we have the great example of Great Britain. After the masterly address of the hon. member for Springfield (Mr. Hoey), I need not labour the point that one of the greatest examples of the beneficent effects of free trade, how it makes a country solid, commercially and industrially, has been in that great country. Where is the lire, where is the franc, where is the mark, where is the rouble, and where is the pound sterling? There is your answer.

My learned and hon. friends of the Conservative party have been calling for protection during this session. They are like the Bourbons of old—they forget nothing, and they learn nothing. Years ago there were hard times in Canada. I speak of the seventies; '74, '75 and '76 were hard times in Canada, and at that time the Conservative party nailed its protectionist colours to the mast. They were somewhat different, and still they were somewhat the same as the protectionist colours of to-day. They did not accept the protectionist doctrine as a matter of economic knowledge or as a matter of principle. History tells us that the Conservative party in 1876 was prepared to become the free trade party if Sir Richard Cartwright had only put up the tariff 2 1-2 per cent. But when Sir Richard Cartwright did not put up the tariff 2 1-2 per cent then the Conservative party at that time brought into the House this resolution. I am going to ask leave of the House to read it, because it has such a familiar sound to anyone who has been looking at the order paper for the last two weeks:

> This House is of the opinion that the welfare of Canada requires the adoption of National Policy, which by a judicious readjustment of the tariff will benefit and foster the agricultural, the mining, the manufacturing and other interests of the Dominion: that such a policy will retain in Canada thousands of our fellow countrymen who are now obliged to expatriate themselves in search of the employment denied them at home; will restore prosperity of our struggling industry now so sadly depressed; will prevent Canada from being made a sacrifice market; will encourage and develop an active interprovincial trade; and moving as it ought to do in the direction of reciprocity of tariffs with our neighbours so far as the varied interests of Canada may demand, will greatly tend to procure for this country eventually a reciprocity of trade.

That was the policy of the Conservative party almost fifty years ago, and fifty years' experience of the protective principle has not taught them that as far as Canada is concerned this is a fallacious policy and one on which the country cannot succeed.

Now, there are three fallacies with which I should like to deal. The first theory is the favourable balance of trade fallacy. The theory of the favourable balance of trade is one which was exploded by Adam Smith about a century and a half ago. It was founded on the idea of the mercantilists that a country only grew rich in so far as it absorbed and kept for itself gold and silver. Now just look what a ridiculous policy it is. A ship leaves Montreal with $100,000 worth of merchandise on board, and when it gets to Liverpool it exchanges that $100,000 worth of goods for something which is worth $120,000, because, of course, the goods are worth more in Liverpool than they were in Montreal or they would not be sent to Liverpool. You put on board ship $120,000 worth of goods and when you bring them back to Montreal they are worth, let us say, $130,000. Now that means exports $100,000, imports $130,000 an unfavourable balance of trade of $30,000 and that, according to these gentlemen, is a bad

thing for the country. But let us suppose that the ship on her next voyage, loaded with the same kind of goods, is lost off the coasts of Newfoundland, is a total wreck. Exports $100,000; imports nil; favourable balance of trade, $100,000. And that is the policy which is preached by sensible people in this country to-day and on which we are asked to base the fiscal policy of Canada. It is almost as absurd as the fallacy which says we should aim to be a self-contained country. That theory was also raised by Sir John A. Macdonald in the days gone by. "Shall we not say Canada is for the Canadians, and protect our markets for ourselves?" quoth he at Stanstead, in the next country to my own, in 1877. "Shall we not say if we have a short crop, our own people shall consume it and pay a fair price for it?" As a matter of interest and curiosity I took the export of wheat to all countries from Canada for the years 1920, 1921, 1922, and 1923, and then I calculated what population we would have to have in this country in order to eat all that wheat, and I found if we counted flour also in our calculations—I think that would be fair—we would have had to have in 1920, fifty-three millions more people; in 1921, eighty-three millions more people; in 1922, fifty-two millions more people; and in 1923, seventy-three millions more people. I will ask for leave to put this statement on Hansard.

Exports of wheat to all countries:

		With Flour
1920,	185,000,000, 46 millions extra,	53 millions extra
1921,	311,000,000, 77 millions extra,	83 millions extra
1922,	180,000,000, 45 millions extra,	52 millions extra
1923,	252,000,000, 63 millions extra,	73 millions extra

The attack has been made upon the government that it has not raised the duties—not that it has not sufficiently lowered them. The attacks by the Conservative party are based on the charge that the government has not raised the duties although they say it should have done so, and a good deal of argument has been addressed to the farmers of this country in that connection. They are told that they are being betrayed and badly treated by this government because it has refused to put up the duties on agricultural products. Well, I am not going to emulate the fashion in which the hon. member for Fort William and Rainy River (Mr. Manion) has addressed the House; I am not going to talk of gold bricks, or of shell games, or anything of that sort; but I say this: that any attempt to pretend that the farmers, as a whole, can be benefited by the imposition of duties upon what they produce and of which they have a large exportable surplus is a cruel deception, it is something which cannot be done. The House will forgive me if I deal with this at some little length because it is a matter of real importance to this country.

The farmers should not be allowed to believe that they can be helped by the imposition of a protective duty on what they have to produce, because as long as this country has a vast exportable surplus of agricultural products to send to the markets of the world the price which we get in those markets for that surplus is what determines the price of the entire production. There may be cases here and there where the contrary obtains, there may be a few market gardeners near some large city who by means of the duties are able to get a little higher price at certain times of the year for what they have got to supply to their neighbours who live in the adjacent city. That may be true, but we are not here to look after special interests, we are here to look after the general interests; and so I say that the farmer cannot be benefited by a protective tariff. Now I am going to quote evidence not from Canada first but from the United States, because I take it I am in the sense of this House when I say that if that has proven to be impossible in the United States, if responsible people in the United States say it cannot be done in that country—which has in comparison to its production a far smaller exportable surplus than we have—then a fortiori it cannot be done in Canada. The first witness I will call in this regard is the man who was Democratic candidate for the position of president at the last election, and he spoke on September 7th, 1924, as follows:

> In order to delude the farmer with a false pretense of imaginary benefits and with utter disregard of economic law, those in control of the Republican party announced, in the Spring of 1921, that all his ills would be promptly cured by the enactment of a protective tariff for his benefit. They declared that high tariff rates on wheat, corn, livestock, meat products and so forth, would immediately raise the domestic price. Such a law as accordingly placed upon the statute books in May, 1921, but when wheat fell from $1.47 in May to $1 in December, and corn from 62 cents in May to 47 cents in October, the promised relief was seen to be a pure political fiction.
>
> Under cover of this pretense, however, the oppressive Fordney-McCumber bill was enacted in September, 1922. Lobbies representing greedy manufacturers stormed the nation's capital and wrote their own excessive and extortionate rates in utter disregard of every theory, even of protective tariff taxation. No consideration was given to the new and changed financial business and economic conditions.

Then further referring to the Fordney-McCumber law he said:

> This law is both a fence and an offense. It was a fence against reciprocal trade, no matter how profitable or desirable and shattered our trade structure

throughout the world. It was an offense to every consumer in the United States, and not least of all to the farmers who were left outside the scope of its pretended benefits. It might have been appropriately entitled "An act to obstruct our foreign commerce, to increase the prices of what the farmer buys and to reduce the prices of what he sells."

Thereafter, as an additional sop to the farmer, under the so-called flexible provision the duty on wheat was increased by Executive order and that ungrateful commodity promptly responded by a further fall in value. Surely the day when the farmer can be lulled to rest by a nominal tariff on the commodities of which he has a surplus to sell abroad has passed forever.

That is the argument made by the gentleman who presented himself as the presidential candidate of the great Democratic party, a gentleman distinguished at the bar of New York, a gentleman who represented his country at the Court of St. James in England, and possibly as attractive a candidate as appeared in the last election before the American people. But those were not only the views of the Democratic party but also the views of the Republican party, or at least of that section of the party who agreed with their vice-presidential candidate Colonel Dawes. He says:

It is an admitted fact that in the case of any agricultural commodity of which we raise a substantial surplus, the price obtainable for this surplus in the world's markets establishes in a general way the price level of the entire crop.

This is from the address delivered by Colonel Dawes, the Republican nominee for the office of vice-president at Lincoln, Nebraska, in August or September, 1924. But let me quote what I might term a collective witness. In the United States within the last few months a national association of commissioners, secretaries and departments of agriculture gathered together and they held a meeting on the 2nd December, 1924, and I quote the following:

The protective principle affects only those farm crops of which we produce less than we consume, examples of which are wool, flax and sugar. In the case of those crops of which there is an exportable surplus the case is quite different. The price of the exportable surplus is fixed by world-wide competition and is unaffected by a so-called protective tariff. The price level of exportable surplus in turn determines the price level of all that portion of the commodity required for domestic consumption. It is apparent, therefore, that the producer of these farm crops having a surplus available for export, sells at price levels determined by world-wide competition, buys in a market restricted by the operation of the protective principles. Examples are: wheat, corn, pork, and to some extent dairy products.

I also quote figures which appear in the Congressional Record, January 21, 1925, as follows:

Net loss to farmers of United States due to tariff:	
Gross cost to farmers..	$426,000,000
Gains to farmers as producers..	125,000,000
Net cost to agriculture..	301,000,000

Now if that is true in the United States it is a great deal truer in Canada.

Mr. ARTHURS: Will my hon. friend state who asked for protection for the farmers in the United States?

Mr. McMASTER: I think the farmers of the United States have been thoroughly fooled by the Republican party ever since the Civil war. They have been asking for protection and they have been getting it, and it has not done them on the whole the slightest bit of good, and it has enabled the protected manufacturers of the country to gouge the people of the United States.

Mr. LADNER: If the exportable surplus determines the price of the home market, how does the hon. member account for the fact that the United States had a surplus production in fruit that they dumped into Canada at a much lower price than the home market? That is why we have an anti-dumping law.

Mr. McMASTER: They are able in that case, I presume by some sort of combination, to maintain their home prices. But I say this: that you might in certain parts of the country find markets which might be rarely helped by the protective principle; but I was laying down the general principle which is true. It may suffer exceptions in the case of spring strawberries and other things at other times in different parts of the country. But I say as a general rule,—and in our fiscal policy we must be governed by general rules—it is true as a general principle. I appeal to my hon. friend who wishes to be fair to examine these things carefully, and I ask him to open any newspaper which quotes the prices of wheat in Liverpool and the price in Winnipeg, and he will find that the price in Liverpool will be the price at the head of the lakes, plus the cost of transportation. There have been fluctuations in the price of wheat which may have disturbed market conditions, but I say that at almost all times—and I appeal to those hon. members in this House who know more about marketing wheat than I do—you will find the cost of wheat in Great Britain is the cost of wheat at the head of the lakes, plus the cost of transportation to Liverpool.

Mr. LADNER: Is not the fallacy of the free trade argument the fact that there are so many barriers in the country that they are artificial interferences continually with trade and exportable surpluses and everything else, and you have to deal with it in a practical way in each particular case?

Mr. McMASTER: This is not a new argument. It was answered by Sir Robert Peel in the forties in the House of Commons, England. He said the best thing Great Britain could do in the face of tariff walls against her was to have a policy of free imports. The fact that you are interfered with when you go to sell is no reason why you should interfere with yourself when you come to buy. It is quite true that the protectionist tariff wall hurts us when we go into other countries to sell. It increases the cost to the consumer in the country to which we are taking our goods, and therefore decreases the demand. It is a hurtful thing to us, but let me give this specific illustration. I know that we free traders are often called theorists, but it is the protectionist who is the theorist. The free trader wants to consider things as they really are. A great many people in my county sell cream in Boston. It is true they have to pay a duty on the cream that goes in. It is paid by the American consumer of that cream. But if there were not a duty there would be a bigger demand for that cream, and therefore the duty hurts the farmer who exports cream from Brome. But is the fact that he is hurt when he is an exporter of cream any reason why he should hurt himself by raising the duties against himself when he wants to buy things which come from the United States?

Mr. LADNER: Does the hon. member say the incidence of tariff taxation always falls upon the consumer in the country to which the article is exported.

Mr. McMASTER: No, it depends on how keen the demand is. If I am trying to place my goods in a protected market, have got to get the goods in there, and it is the only available market, and the demand is not keen, I may in some cases pay the whole duty, or pay part of the duty, in order to get into the market. But I will always be looking for another market, and I think it will be found generally that the incidence of the tax usually falls upon the consumer. It would not be any use to be a protectionist unless that were true. If the exporter to a protected country paid the duty then there would be no protection for the home manufacturer. He would have to compete with the free trade price just the same as before.

Sir HENRY DRAYTON: Is my hon. friend serious about that?

Mr. McMASTER: That is absolutely true, and if my hon. friend with the smiling countenance would consider for a moment, he would see that it was true. Take woollens coming into Canada purchased by Greenshields, in a case where the British manufacturer so much desired to send the goods to Greenshields that he paid the 25 per cent duty, and that Greenshields was able to buy the British woollens just the same as if the duty was not on at all, what chance would the Canadian manufacturer have? He would be compelled to put out a better line of goods to get Greenshields to buy from him, when Greenshields could buy from the British firm without paying any duty.

Sir HENRY DRAYTON: I am delighted with my hon. friend's statement, and I am going to ask him another question. Does he think—and I followed him very closely—that the illustration that he is applying as to the reflex action in the domestic market of the outside cost of wheat would apply similarly as regards any other commodity in the world?

Mr. McMASTER: I think so. Our Dairy Commissioner, Mr. Ruddick, says that the price of dairy produce is, on the whole, governed by precisely the same rule. I say that wheat is the classic example of the theory which I am enunciating to this House. We examined that question with great care some two or three years ago in the agricultural committee.

Sir HENRY DRAYTON: I think it is not the example, it is the one exception. But perhaps my hon. friend will tell me as to the price of butter in New York as against the price of butter in any centre he desires to pick in Canada. I think he will find his principle does not work.

Mr. McMASTER: Of course, when you come to retail prices—

Sir HENRY DRAYTON: Wholesale.

Mr. McMASTER: I think you will find wholesale prices will be much more on an equality than retail prices because retail prices may vary from store to store. But I say this—and I believe I am correct when I say it—that if you have a great surplus for export, the price you get for that exportable surplus will determine, both generally as regards volume and generally in point of time, the price you have to accept for your home production.

Mr. LADNER: Supposing an exportable surplus from the United States was dumped into Canada at a price below that at which the goods can be produced in either Canada or the United States, would that be in the interest generally of the people of this country?

Mr. McMASTER: That would depend whether it was done continuously or not. If it was done continuously at a price lower than that at which we could produce the goods, I believe it would be greatly in our interest to get that and to devote our attention to producing something else.

Mr. LADNER: It would be intermittent, but enough to hurt business in this country.

Mr. McMASTER: I believe, in the long run, less harm would be done to the vast majority of the people of Canada whose interest we have to think of first, namely, the consumers, by allowing them to get the advantage of even such intermittent dumping as my hon. friend suggests.

Mr. GARLAND (Bow River): The hon. member in his very interesting discussion quoted figures, I think, to show that the net cost to agriculture in the United States of the tariff was $301,000,000. Does the hon. member mean that to be the net cost of the protective principle as applied in the United States or the net cost of simply the agricultural protection?

Mr. McMASTER: The figures which I have before me purport to show that the gross cost to the farmers of the protective principle is $426,000,000; that, in other words, what they have to buy has been artificially increased in price to the extent of $426,000,000; that the price of what they have to sell has been artificially increased to the extent of $125,000,000, and that, therefore, the net cost to agriculture is $301,000,000. That is dealing only with the matter in the large. That does not take into account the fact, I think, that the wheat farmer in the United States is not helped much by protection. He may be occasionally, but as a rule he is not helped by protection. Therefore, there is really no gain in protection for him at all. The United States exports, if I mistake not, about three bales of cotton for every four she produces, so that the price of cotton in the United States is unaffected by a tariff, and the cotton farmer, the farmer who grows only cotton, cannot be helped at all by a protective tariff. Therefore, he has to bear his share of the loss. This purports to give agriculture, as a whole, and tends to show, if these estimates are correct, that even in the highly industrialized United States, where, I think, the proportion of urban population to rural population is much greater than with us, the protective principle is disadvantageous to the farming interests.

Sir HENRY DRAYTON: Whose estimates are these? Where can we get them and where are they made up?

Mr. McMASTER: The whole matter is thoroughly discussed in the Congressional Record of the 21st January, 1925, just at the beginning.

Mr. SPENCER: What number of years would these figures cover?

Mr. McMASTER: I am unable to state, but it is a very recent compilation and a compilation which, I take it, was induced by the very disturbed condition of agriculture in the United States a year or two ago.

Mr. GOOD: That was the net loss per annum, was it not?

Mr. McMASTER: That was supposed to be the net loss per annum. Of course it is a mere computation, a mere estimate; but the point I wish to emphasize to this House is that even in the United States where, if in any place on this continent, the protective principle should be able to help the farmer, according to this authority it does nothing of the sort.

The next point which I wish to bring up is the argument made by protectionists that importations from abroad of goods diminish the demand for labour in Canada. We heard a great deal about how much more prosperous we would be if we could only shut goods out, and the inference was, in fact the assertion was made, that the Canadian wage earner would be more prosperous under a protective tariff than he would be if a protective tariff did not exist. That is a fallacy and I will endeavour to prove my statement. You may possibly help one special line of industry by protection; you may possibly help the men who are engaged in that particular line of industry by protection; but you cannot help industry or labour as a whole by protection and I will tell you why. What labour can get out of industry by way of either salary or wages is governed, first of all, by the wealth which is produced in the country. If a great deal of wealth is produced in a country, there is more to be divided between the capitalists and the workers. Of course protection cannot increase the wealth of the country. It can only direct labour and capital into certain channels rather than others. I think history shows and economics teach that it is more likely to misdirect than properly to direct labour and capital into channels away from those into which they would otherwise flow.

5 p.m.

Let me place this before the House. Protection, as a whole and generally speaking, will raise prices. If a man can save a dollar or two dollars on a pair of shoes and a woman two or three dollars on a dress, what are they going to do with that money? They are going to buy other things with it. They are going to create other demands and these other demands will have to be met by labour. Therefore, the more natural you get the channel in which labour and capital flow the more you force labour and capital into channels which will produce the greatest economic return, the greater will be your wealth and the greater will be the return for labour. I need not stress the point. I believe it to be sound.

Now, I have talked a long time and I mingled praise with blame, and perhaps the House will say, "You have spoken for an hour and a half; what have you practical to suggest?" Well, with all respect to this House, I am going to make a few practical suggestions. Our tariff problem, our railway problem, our immigration problem are inextricably mingled together; they all form parts of a larger problem—the condition-of-Canada problem. We want better conditions in Canada, and these problems, tariff, immigration, railway, are merely aspects of the one great problem. The government has proposed a tariff board. Well, a tariff board may be useful in getting certain information, but it will not determine, or it should not be allowed to determine, the policy of the country. This policy must be determined by the representatives of the people. It seems to me that what we must determine, before we can have a tariff board functioning usefully for us, is whether we are going to have a tariff which is primarily for the purpose of raising revenue, or primarily for the purpose of affording protection; because it cannot be properly designed to do both. Now, I hope that when the tariff board is chosen it will direct itself to the examination of the question: How we can raise more revenue through the tariff with the least dislocation of business and on the soundest principles of business and economics.

Sir HENRY DRAYTON: Will the hon. member allow me a question on that point? Has he considered the figures collected by the American government under their advanced and present high rates as against the figures that were collected before the emergency tariff?

Mr. McMASTER: No.

[Mr. McMaster.]

Sir HENRY DRAYTON: One is the multiple of the other.

Mr. McMASTER: But I have read a good deal as to the amount of dissatisfaction there is with the tariff board of the United States; how that tariff board has not prevented scandals, such as their woollen schedule K, which is a crime and a disgrace to any civilized country; how that tariff board is not recommending against the continuation of high duties in industries where by the application of automatic machinery and other labour saving devices the United States are able to compete on an equal footing with the whole world. I would pray the government in this regard not to establish a highly organized board with chairman, vice-chairman and commissioners and with a staff of stenographers and clerks; I implore them not to do that because when those gentlemen are appointed—if they are—their whole subconscious desire will be to maintain protection in order to retain their jobs and because no man when put in a position of that sort can refrain from trying to magnify his office. There are, however, men in the employ of the government whose fund of information and whose collection of data would be a great benefit to anyone who may be called upon to deal with the tariff question. I do not think I am going beyond the bounds of propriety when I say that a member of this tariff board should be our Dominion Statistician who, I think, knows more about the condition of trade and industry in this country than possibly any other man within the confines of the Dominion.

Now I am going to speak for a moment about immigration. The needs of the Canadian people in this regard demand such arrangements or rearrangements within the cabinet as will permit one member, and as able a man as can be got, to have charge of immigration, to devote his whole time and attention to it. I think it is a job for one man, and I do not believe that any man, I do not care how able, how devoted and how self-sacrificing he is, can ever carry on another department with the Department of Immigration. The work imposed on cabinet ministers by our system is onerous. They have a great deal of departmental work to attend to, a great deal of routine to look after, both in session and out of session, and for four or five months they have to spend a large portion of their time in this House. What we want to do is to set a man apart with the responsibilities of a minister who will think this question out. In this regard I

should like to make a few suggestions. I should like the man who is charged with immigration to realize that an immigrant is not only a potential producer, a competitor in the market of producers, he is also a potential consumer, and the fact that there is danger of him becoming unemployed should not have too much weight. Let us get in people strong of brain and strong of body, and let us give them a chance. That is the way to work out the salvation of this nation, because we are going to have hard times in Canada unless we can at least within the next few years substantially increase our population. I want to see the development of a national spirit, and I believe that the more we develop a national spirit the better type of immigrant will we induce to some to this country. I should like to see the abolition of the technical rules which even yet to a certain extent obtain in the department, in order that men may come in more freely. I should like to see use made of our own citizens, no matter from what part of the world they come, in order that they may get into this country friends and relatives who will be useful citizens. I had the pleasure of an instructive trip through the west about fifteen months ago, and I shall never forget as long as I live what one of my hosts said to me when I was visiting in one of the prairie provinces. As he drove me down to the station; he said: "My land marches a mile that way, it goes a mile and a half the other way, and four men and four families could get as good a living off that land as I get now, and there would be four men to pay taxes and four women to help the church organizations and the social life in the country." I think there in a nutshell is our problem. To a large extent we are yet an empty land, and until we fill it up, the burden of the national equipment we possess will hang heavy upon us.

Concerning the railway problem, I am not going to trench upon the ground which has been covered by the member for South York (Mr. Maclean) and the member for North Waterloo (Mr. Euler), namely, that there should be an amalgamation of some sort between the Canadian Pacific Railway, with their magnificent line of steamers, and the Canadian National Railway. That may be the proper thing to do; I should be glad to study it; but I say meanwhile something has to be done, and I make this suggestion: that the Minister of Railways and Canals (Mr. Graham) should say to the heads of our two great railway companies: "Gentlemen, cease useless competition, cease duplication of train services; find out what trains are paying you and then make arrangements to take off those that are not paying." I think we could save in the tens and twenties of millions of dollars if that policy were adopted. It will not be easy to put into effect, for people do not like to co-operate when they have been competing strongly against each other. But they have got to do it. We cannot allow things to go on as they are, we must elimate useless duplication.

Mr. CALDWELL: Might I ask a question at that point? Would the hon. member go so far as to suggest that railway rates be reduced until the two companies are compelled to do what he suggests, if they will not do it otherwise?

Mr. McMASTER: I should not like to hold out the big stick before I had allowed the estimable Minister of Railways and Canals to emulate Sir Wilfrid Laurier and his sunny ways, which I think on the whole would be more likely to bring about the desired result than a display of force. But in all seriousness, the people of this country demand that economy be the watchword. That does not mean economy merely in little things, it means economy in big things, and I think the line which I have suggested should be followed. For instance, I am told that the competition for business between these two lines is leading at least one of them to altogether too extravagant modes of collecting express shipments. I was told when I went west that in one city in that part of the Dominion where, before the competition had begun, there had been some five engines placing cars in the yards there were now twenty-two. And we all know that throughout the country there are through trains between large cities that could be eliminated. I believe that the people of Canada would be prepared to support any government that showed that it had at heart the interests of the people in the matter of economies in the management of our railways. We must however practise economy ourselves. Two years ago I protested against the tower going up at the present juncture at a further cost of $600,000. But the work was proceeded with and the top has not yet been reached. I do not believe that a government will make any enemies in this country if it shows that it really intends to economize, although I know it is not easy practising economy. I once defined extravagance myself as expenditure on the part of other people of which we do not approve. So that it is easy to talk economy. But what every member of this House has

got to do is to realize himself that he should not ask for his own constituency anything which he does not believe is justified by the financial condition of the country.

I will vote for the budget, not because I am particularly enthusiastic about it; there are features in it which I reserve to myself the right to vote against. But to vote against the budget might mean defeating the government.

Mr. GARLAND (Bow River): Hear, hear.

Mr. McMASTER: Well, that "hear, hear" does not commend itself to me; I do not want to see this government defeated. In many ways it is a very good government; for one thing, there has never been any government in Canada in many years which has stood up for the principle of Canadian nationality as this government has done. And that is something that is dearer to me almost than anything else. Burns has said:

> Then gently scan your brother man,
> Still gentler sister woman;
> Tho' they may gang a kennin wrang,
> To step aside is human: . . . .
> Then at the balance let's be mute,
> We never can adjust it;
> What's done we partly may compute,
> But know not what's resisted.

Well, we know what has been resisted; the government has resisted appeals for all sorts of increases in the tariff coming even from constituencies which some of its members represent. And that should be counted to them for righteousness. I will support the government because there have been some reductions in duties. It is true that these reductions are not so many as to tire one in the counting of them; but there have been some reductions on things that should be reduced. My estimable friends in the far corner of the chamber will forgive me if I am candid. They are always so kind and courteous, so smiling and debonair, that it is difficult for one to speak harsh words about them, but at this time one must be outspoken, and must say what is true; our words must be words of truth and soberness. This debate has shown that those hon. gentlemen have no appreciation of the condition of the country. A year or two ago they complained that the Progressives were crape hangers and calamity howlers, but when they themselves got into their stride Alberta was left nowhere. And with all their statements about the state of things in the country what is their proposal? They propose more taxation, more restrictions; that is the only proposal they have to bring forward. And that same proposal has been made for the last fifty years and found erroneous. I want to see the government succeed and lead the country along the paths of freedom. We must depend in this country on one school of political thought or the other, and this government will never be really loved by the protectionists; never. Well, I say to the government, be off with the old love and be on with the new.

An hon. MEMBER: What about coal?

Mr. McMASTER: I have not dissembled my views about coal. Indeed, I have been so frank about coal that I shall be afraid to meet some of my friends from Nova Scotia in the lobby after this speech. I think I hear one of them saying "hear, hear." However, I ask the government—if the trumpet blow an uncertain sound who shall prepare himself for the battle? Personally, I do not want any more uncertain sounds. Restriction has been tried in this country and has failed. Let the government take its courage in both hands and march forward in the ways of reduced duties and it will find itself supported, I believe, by the representatives of the vast majority of the people of this country.

Mr. JAMES STEEDSMAN (Souris): I am somewhat at a disadvantage coming after my eloquent and genial and extremely well informed friend (Mr. McMaster), but I am much indebted to him for some of the things he has dealt with in his speech. Some of them will save repetition on my part. I thank him particularly for what he had to say with regard to agriculture in Canada. What I have to say this afternoon will be largely in the interests of agriculture and particularly in the interests of western agriculture. While I could follow my hon. friend in most of his statements and while I agreed with him on a good deal of what he has advocated with regard to the tariff in particular, I am sorry to say that I cannot at this time see my way clear to go the whole way with him and support the budget. What I want to do particularly is to bring before the House the point of view of agriculture with regard not only to the budget but to some of the other more important questions that are agitating the minds of hon. gentlemen and of the people throughout this country to-day.

Perhaps nowhere in the world has a similar number of people been able to produce so much wealth in the same length of time as have the farmers of the prairie provinces, and with that been able to save so little of the proceeds of their labour. One reason for their great production is of course the ease with which the land is brought under cultiva-

tion. That coupled with the fertility of the soil has made it possible to raise more grain per man in the prairies than anywhere else in the world. Yet we must realize that wheat, the greatest of all our exportable commodities to-day, is being produced in the prairies at a loss, one year taken with another. Some of the things that are responsible for that state of affairs I intend to deal with as I proceed. Distance from markets where our products are ultimately sold brings up, of course, the question of transportation both by rail and by water. Then again the expensive system of handling and marketing our crops must be considered, such as the many tolls that are charged from time to time for various services rendered. Then again there is the question of the high interest rates that the farmers have to pay, the question of the cost of production, and the high cost of living—these are all matters that enter into this proposition of the production of wheat at a loss.

The question of railway rates, we are told, will be very thoroughly gone into by the House this year. Hence, Mr. Speaker, I do not wish to enter particularly into a discussion of that this afternoon. I just want to point out, however, in passing, that not only the agriculturists but all the people of western Canada stand solidly behind the Crowsnest pass agreement rates, and any attempt to interfere with those established rates on grain and grain products will be most strenuously opposed I think by all the people of the prairies.

With regard to the rates on the lakes, this was touched on the other day by the hon. member for Last Mountain (Mr. Johnston). Perhaps there has been no other service for which we have had to pay more than the service on the lakes. At times the rates have been out of proportion, and I would just like to suggest to the government that if at any future time there is any apparent approach to discrimination against Canadian shippers, they should at once apply the remedy they have now in their hands, that of suspending the coastal laws. We believe that that would result in eliminating such a state of affairs as we had, for instance, two years ago, when the rates went away beyond everything that was reasonable.

The matter of the control of ocean rates is also before the House. In regard to that I just wish to say that I trust the committee that has this inquiry in charge, if it does not approve of the Petersen contract, will introduce some other means whereby ocean rates may be brought down. We realize that the rates on beef cattle, for instance, to England are away out of proportion; they are much too high. We realize, too, that unless the rates are brought down, the beef cattle industry of Canada is doomed. In view of the fact that we are shut out of the American market, there is no other country our beef cattle can go to except Great Britain, and we cannot ship them there at a profit under the present rates. Any scheme that will result in the specific lowering of ocean rates not only on cattle but on other products will, if not at too great a cost to the people of Canada, meet at any rate with my approval.

Then as to the cost of production and the cost of living—and here is where our disappointment, shall I say, with the present budget comes in—last year a reduction was made, a step forward, as it was called, was taken, and in view of the enthusiasm with which those reductions were accepted in this House and in the country as well, I think we were justified in expecting that at least another further step would be taken this year, and not only in view of the enthusiasm with which that step was accepted by this House and the country, but also because of its enthusiastic reception by some members at least of the cabinet; in view of the fact also that we have the assurance of the Prime Minister himself, or if not his, we have the assurance of the Minister of the Interior (Mr. Stewart) that no harm was done to the industry the duties on whose products were reduced last year. In view of these circumstances I think we had reason to expect that the movement towards the lowering of the tariff on other articles might be continued.

Let me point out a few of the things on which we think the duties should be lowered —the food, the clothing and the footwear of the people, cooking utensils, heating appliances, and I was going to add coal, but my hon. friend from Brome (Mr. McMaster) has handled the coal situation so well that I do not propose to touch on that. On these things I have mentioned the prices should be as low as possible to the people of this country. We believe that on these articles at least the duties should be substantially reduced, and should have been reduced in the budget this year.

I should also like to call your attention, Mr. Speaker, to the resolution that was debated in this House a few days ago, which had for its object a lowering of the duty on automobiles and motor trucks. There may

be those who contend that automobiles are not a necessity to farmers. To those who hold that view, I would like to say that out on the prairie where I come from, where the distances are so great, and where the conditions prevail such as my hon. friend from Macleod (Mr. Coote) spoke of, where the large towns are far apart, and settlers live at a great distance from the railways, the post office, churches and so on, the automobile is not only a great convenience but an absolute necessity, and we had reason to hope that the government would accept the suggestion of my hon. friend and lower the duties there. The sale and distribution of automobiles and automobile service is the biggest thing in this city or in any other city in Canada to-day—unless possibly speculation in wheat in one or two cities. We have no fault to find with that, but we think that an industry that can make such a showing in the few short years in which it has been manufacturing automobiles does not require thirty-five per cent duty. I do not think that I would suggest any slashing reductions in the tariff—reductions that would probably demoralize certain industries and might have the effect of interfering with the revenues of the country. Rather I would think we should have a gradual reduction from year to year that would permit of industry adjusting itself to the changed conditions as we went along, a system that would bring us very shortly to that much to be desired condition where we would have a tariff for revenue only, if there is such a thing. I want to say that I am extremely doubtful if any tariff board can decide through inquiry just where or at what point the tariff would produce the greatest revenue. I am of the opinion that we can only find that out by experience; and unfortunately we have never had a government in this country that has been willing to make the experiment in order to discover where that point is.

The next matter on which I wish to say a few words is that of rural credits. I have already spoken of the high interest rates. It has not been my privilege to read the report of Dr. Tory who has been working on this matter now, for, I think, practically two years, but I have a fair idea of some of the proposals, at least, that will be submitted to the House. I am firmly of the opinion that agriculture cannot carry the interest charges on long term and other loans that we are called upon to pay at the present time, I do not think it can be done. I trust that the government will come to the assistance of the provinces in order that they may be placed in a position to extend such systems of rural credit as they have undertaken at the present time. Some of these systems, at least, are very good. Lack of funds, I think, is the only reason for their not being able to carry on. However, I trust the government will seriously consider this question and do so this year.

In conclusion I must say that I am very sorry that customs and the rules of the House made it impossible for you, Mr. Speaker, to accept the sub-amendment proposed by my leader, the hon. member for Brandon (Mr. Forke). That sub-amendment expresses my views on the budget more clearly than I have been able to give expression to them myself, and I am very sorry indeed that I will not have the privilege of voting for it. With regard to the amendment of my hon. friend the member for West York (Sir Henry Drayton) it contains little that would induce me to vote against it. On the other hand there is little in it that would induce me to vote for it. In fact, there is no declaration of principle or policy in it at all, other than perhaps a mild suggestion with regard to economy, and we are all in favour of that. With regard to the budget itself I cannot see my way clear to go to the length of the preceding speaker or to support the budget and therefore I intend to vote against it.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. J. E. FONTAINE (Hull) (Translation): With your leave, Mr. Speaker, before discussing the budget, I would like to make a few remarks with reference to the speech the hon. member for Kent, N.B. (Mr. Doucet) delivered in the House, on April 2, last. The general impression conveyed to us by his speech, is that the government is not fair to the French-Canadian element and that the latter are not given their rightful share in the administration of public affairs. I shall bring to bear a few facts to prove that the hon. member shows bad faith or that he is not well informed. To illustrate my point, I shall proceed by comparison: under the Tory government although such a designation does not seem to please my hon. friend for Kent—the French-Canadians had but one representative in the cabinet, Senator Blondin; to-day, under the Liberal government, we have five French-Canadian ministers: the hon. Messrs. Dandurand, Beland, Bureau, Lapointe

and Cardin. At the Imperial conference held in London, in 1916 and 1917, under the Tory regime, the French-Canadians were not represented; at the Versailles conference, when the Peace treaty was signed, in 1918 and 1919, there were no French-Canadians; at the meeting of the League of Nations, held in Geneva, in 1920, there were no French-Canadians; at the Imperial conference held in London, in 1921, again there were no French-Canadians; at the meeting of the League of Nations held in Geneva, in 1921, there were no French-Canadians; at the International Conference on Limitation of Armaments, held in Washington, in 1921, again there were no French-Canadians. Now, Sir, we come to the Liberal administration: At the meeting of the League of Nations, held in Geneva in 1922, the French-Canadians were represented by the Hon. Ernest Lapointe; at the Economic conference, held in Geneva in 1923, the French-Canadians were represented by Mr. Edouard Montpetit; at the meeting of the League of Nations, held in Geneva in 1923, the French-Canadians were represented by Sir Lomer Gouin; at the Economic conference, held in London in 1923, the French-Canadians were represented by Sir Lomer Gouin; at the Imperial conference, held in London in 1923, the French-Canadians were represented by Sir Lomer Gouin; at the Inter-Allies conference, held in London in 1924, the French-Canadians again were represented by the Hon. N. A. Belcourt; at the meeting of the League of Nations, held in Geneva in 1924, Canada was represented by the Hon. Raoul Dandurand; at the International Labour conference, held in Geneva in 1924, our representative was Mr. Pierre Beaulé, president of the Union Ouvrière Catholique de Québec; at the International Opium conference held in Geneva in 1924, the French-Canadians were represented by the Hon. Dr. Béland; and moreover, since 1921, the Hon. Ernest Lapointe has, on various occasions, gone to Washington, to sign four treaties between the United States and Canada.

On all the royal commissions which were appointed by the Liberal government; the French-Canadians were never left out: the Hon. Judge Turgeon acted as president of the grain commission; Mr. Picard, as president of the pulpwood commission; General Tremblay was appointed a member on the commission of the Grain and Transportation on the Great Lakes inquiry; Colonel O. E. Talbot and Mr. Ernest Décary are members of the National Railway Board; the Hon. A. Turgeon and Mr. Beaudry-Leman are also members of the commission appointed to inquire on the St. Lawrence waterway scheme, and Mr. Olivier Lefebvre figures on the staff of engineers of the latter commission.

I now come to the judges. In New Brunswick, precisely in the province of the hon. member who wished to lead us to believe by his speech that the government was ignoring the Acadians, I think that Judge Leblanc succeeded to Judge Chandler. In the province of Quebec, Judge Gonzalve Desaulniers succeeded Judge McDougall; in the province of Ontario a new judiciary district has been created and Mr. J. B. T. Caron received the appointment. In Saskatchewan, Judge Gravel succeeded to Judge Hutchison.

Now let us come to senators. In New Brunswick, the province, where the hon. member for Kent lives and which has just requested the appointment of a senator to represent the Acadians, the government, last year, appointed Mr. Turgeon to succeed Senator Thompson. So far as Prince Edward Island, I associate myself with the hon. member for Kent in his request and hope that the government will appoint an Acadian senator; however, what I regret, is that the hon. member for Kent, who is an old politician and has many claims owing to services to his party, did not make such a request to the Tories, his friends, when they held power; they would not have denied him that favour, perhaps, he was not as fond of his compatriots in those days as he is to-day; at all events, in 1912, Senator C. A. McDonald, from Prince Edward Island, died, and the Tories replaced him not by an Acadian, but by Mr. Murphy; and furthermore, in 1915, Senator D. V. Robertson died and again in this case the friends of the hon. member for Kent, did not appoint an Acadian but a gentleman by the name of McLean. I shall let you draw, Sir, your own conclusions from the above facts. In the Civil Service, Mr. Gonthier replaced Mr. Sutherland as Auditor General, the most responsible post in Canada, being given a salary equal to the one of the Prime Minister; Mr. Gaboury replaced Mr. Coulter as Deputy Postmaster General; Mr. Beauchesne replaced Mr. Northrup as Clerk of the House of Commons; Mr. Lucien Pacaud replaced Mr. Griffith as Secretary of the High Commissariat, in London; Mr. Dubuc replaced Mr. Bowden as Chief Engineer of the Railways and Canals Department, and so on. All these appointments tend to show that the Liberal government strives to be fair to the French Canadians. I am not ready to admit that we have obtained everything to which we are entitled; however, we should not expect that in the brief interval of three years, the government should have found it possible to right

all the wrongs perpetrated against our race under the Tory administrations, when our compatriots were entirely ignored.

If, instead of criticizing the present government, the hon. member for Kent, would only plead with his leader (Mr. Meighen) and his friends, Mr. Ferguson, Premier of Ontario, and the hon. member for West Toronto (Mr. Hocken), to disallow Article XVII, which forbids the teaching of French in the schools of Ontario, we could then believe in his sincerity, but until that time, we have reason to believe that there is a great lack of sincerity in his claims and that he wishes to make political capital with this question of race. Before leaving the subject, I wish to quote from an article which appeared in the newspaper L'Avenir du Nord on March 20, last, and is signed by Jules Edouard Prévost, member for Terrebonne; this article sizes up well our political situation:

When it is a matter of governing, struggling and progressing, it is necessary to face facts and not to allow ourself to be deluded by dreams.

Many of our compatriots lose sight of these things when they become exacting to the extreme, immovable and uncompromising in their claims, requests and desires we must admit that, a few years ago, we had to bear up with many a stormy day in the sphere of Dominion politics. The Tory and Orange parties let loose against us bigotry and insult.

The offsprings of the old Tory regime proved themselves worthy of their predecessors.

That belongs to the past. The French Canadian minority has again taken its place in the government of the country in the realm of public affairs and the various departments of the State.

We shall not pass in review the advantages realized within four years. This rehabilitation of our race is an acknowledged fact because it is evident.

Now, Mr. Speaker, at each session of Parliament the budget is anxiously expected, but especially this year, owing to the government, last year, having reduced and even entirely taken off the duty and sale tax on a great number of items, among these were farm implements and machinery in connection with the development of our natural resources. It was a question whether the revenues of the country would be affected by such a change, and what would be the financial result. Well, the hon. Acting Minister of Finance has just reassured us by informing us that, although the government had levied $52,900,000 less in sale taxes and $13,000,000 less in excise taxes, in the course of the last twelve months the fiscal year ended with a favourable balance of $1,800,000. It is a most gratifying result and tends to prove that the government's policy is sound, moreover, economic and consistent with our needs. Notwithstanding this satisfactory result, all the Conservatives, who have taken part in this debate, have criticized the government, and, the ex-Minister of Finance (Sir Henry Drayton) has introduced an amendment, asserting that it is to be regretted that taxation, especially the sales and excise taxes have not been reduced, when, as I have just mentioned, they were reduced by $52,900,000 and $13,000,000 respectively, in the course of the past year; he reproaches the government, charging it with having increased the national debt, with not having practised economy, and finally he ends up by denouncing British preference. It is, Sir, nothing but insolence and one cannot be further remote from the truth. Allow me to quote from an article taken from La Presse of Montreal, notwithstanding it being an independent newspaper which, if I am not mistaken, supported Mr. Birks, the Conservative candidate in the by-election of St. Antoine.

This is how this newspaper expressed itself on March 25, last:

There is no doubt, after hearing the Budget speech, that the Canadian people have saved $52,900,000 in sales tax and $13,000,000 in excise duty, last year. Such a relief of taxation is too precious to the workman, upon whom principally falls the sales tax, for the public to ignore the efforts displayed by the government so as to relieve the labourer already overburdened with taxation.

Notwithstanding this enormous decrease of revenue assumed by the government, Mr. Robb, however, shows us a favourable budget balance of $1,823,000 and a very significant step forward in our trade budget. Indeed, we notice that our exports overlap our imports by $165,000,000 and this new phase in our industrial life vouches for national prosperity and progress.

On the other hand, this is what the newspaper Le Devoir has to say in regard to the speech of the ex-Minister of Finance (Sir Henry Drayton) in an article bearing the following head-line "Foolish ventures:"

Sir Henry Drayton, on behalf of the Tory party under Mr. Meighen's leadership, repudiates the "British preference". . . . in words; however, he avoids in his motion of censure, to demand its repeal, not even in a modified form, as in Australia. As a set-off, he recommends in the same breath both a decrease of taxation and more "protection" (therefore, an increase in taxation).

So long as the Tory party will adopt these childishly crafty tactics, the high sounding creeds of its leaders, and their flag-waving, the consideration attached to them will amount to what Saint Simon termed in his picturesque language, foolish ventures, bubbles and toy pistols.

One cannot better describe the lack of sincerity of our opponents. Were we to believe in them, Sir, we might conclude that the Liberals are responsible for the debt increase and the taxes with which we are burdened. When the Conservatives assumed power in 1911, the national debt only amounted to $340,000,000, the interest came to $12,000,000 per year, and the debt per

capita, amounted to only $47; while in 1921, when they were driven out of power, our debt had increased by $2,000,000,000, the interest amounted to $140,000,000 per year, and the debt per capita came to $266. They are the same gentlemen, Sir, who, after having squandered the public's money, after having been so extravagant during their ten years of tenure of office, wish to preach economy and talk of decreasing the taxes. Nonsense! These gentlemen are shamming, they must take the people of this country for imbeciles. I know their answer: Yes, it is so, but it is due to the war. I do not wish to recall again all the useless expenses, all the scandals attributed to our opponents during the war to favour political friends; let me only point out that it is admitted to-day, that at least fifty per cent of the money spent during the war was squandered and used to enrich the friends of the government of that date; and, as a proof of my assertion, let me recall the statement made a short time ago by General Currie, who was in command of the Canadian troops: that there had been 100,000 Canadians who should never have been recruited.

What about the purchase of the Canadian National railway and the Grand Trunk railway, frightful and useless expenditure which had no other aim than to enrich Messrs. Mackenzie and Mann and the shareholders of the Grand Trunk Railway and which cost the country between $75,000,000 and $100,000,000? We must also mention the merchant marine, the work of the Hon. Mr. Ballantyne, which cost about $100,000,000 and is useless. In vain, Sir, do the Conservatives blame the present government, their scandals and bad administration will never be forgotten, and the people of this country are well aware that it is not in a period of three years that the Liberals were able to right all the wrongs perpetrated during the previous ten years. Let the government carry out its policy, let them continue to decrease the taxes, let them especially show a sense of fairplay to all classes, for protection must not only apply to the manufacturers and large interests, but also to farmers and workmen. Our opponents still contend that this unbounded protective policy would be the best remedy to cure all the present evils, yet, in 1921, at the general election, the people gave an unequivocal verdict on said policy, since hardly fifty Conservatives were returned, even their leader (Mr. Meighen) was carried away in the avalanche and defeated in his own county. Since the last session, we have had five by-elections which allowed the people an opportunity to give a verdict in favour of tariff reduction. Our opponents counted upon carrying the division of St. Antoine, an essentially manufacturing division, whose representative in the House, Mr. Mitchell, had resigned as a protest against tariff reduction which had just been put into effect by the Liberals. Notwithstanding a very stubborn fight which the Conservatives put up, during which the government had to give battle to all the large interests, the Liberal candidate, Mr. Hushion, was elected by a large majority. What are we to think of West Hastings, a riding which had always been represented by a Conservative since confederation, and a riding Mr. Porter had held for twenty-five years? He withdrew from the House as a protest against the conduct of the hon. Minister of Labour (Mr. Murdock) who, in his eyes, had committed the awful crime of having withdrawn from the Home Bank, before it closed its doors, the sum of four thousand dollars which he had previously deposited in that institution. The people of West Hastings did not share Mr. Porter's views, and there again, after a very hard fight, notwithstanding that the right hon. leader of the opposition personally went into the riding to preach his high protective tariff as a remedy to all evils, the Liberal candidate was elected by a large majority.

I wish to say a word with regard to the subamendment moved by the hon. leader of the Progressives (Mr. Forke), and which, Mr. Speaker, you declared was out of order. By this subamendment the Progressives reproach the government in quite a different way from that of the Conservatives. They find that the tariff has not been reduced enough. On the other hand the Minister of Finance tells us that the duty on farming implements and a few other items had brought down the revenue by more than fifty million dollars. Consequently, if we go any further in that direction, where shall we take the money to meet the country's obligations? We shall have to fall back on direct taxation. I am aware that this would suit the west very well, because the latter would be based on the value of prosperity, and as the east is far more developed than the west, we, from the east, would still have to pay for the west. I think that the government has gone far enough in that direction; it would be impossible to do more without sacrificing the east.

The subamendment of the hon. leader of the Progressives ends by stipulating that we should have a tariff for revenue only. I understand that it is just what we have now. I read in the newspapers that the Progressive

member for Springfield (Mr. Hoey) had stated at a public meeting that, if the western provinces did not obtain what they demanded, only one thing would remain for them to do: to drop confederation and annex themselves to the United States. Such language seems astonishing on the lips of a member, and the only excuse that can be found, is that this member, like a number of other Progressive members, has been in this country for but a few years and that he has not had time to attach himself to the Canadian soil.

Mr. BEAUBIEN (Translation): Mr. Speaker, will the hon. member allow me to tell him what the hon. member for Springfield (Mr. Hoey) actually stated at Brandon? He only asserted that, if confederation did not afford fair-play to certain parts of Canada, it was useless to try and keep it up. Those are the words of the hon. member for Springfield on that occasion; he did not mention annexation.

Mr. FONTAINE (Translation): I accept the correction made by the hon. member for Provencher (Mr. Beaubien).

I was saying that the hon. member for Springfield had not had time to become attached to the Canadian soil: in fact, if we look up the parliamentary guide, we find that he was born in Ireland, in 1883, from where he emigrated to Canada in 1909. He settled in Winnipeg, Manitoba, where he obtained his degree in theology in 1915, however, he gave up this calling in 1920, to take up the United Farmers' movement. They are free, Sir, to act as they please; for my part, I think the eastern provinces have done more than their share for the development of the west. What we now need in this country, is a policy of conciliation and compromise for which all the provinces will bear their share of sacrifice for the general welfare.

I also wish to congratulate the government for having undertaken to break up the monopoly which exacts too high rates for the transportation of our products to the European markets. For a number of years, this question of our railway transportation has been very much discussed. The Maritime provinces and especially the western provinces are incessantly urging freight rate reduction. I think this is only part of our needs, especially since the Americans have raised their tariff, and owing to that fact, have closed their doors to our products. We are actually forced, to-day, to ship our products to the European markets, and it is admitted that we are in the hands of trusts and we are paying too much on this freight. The government has decided to subsidize a company so as to control the rates. They have done the right thing. This will allow the farmers of this country to realize more profits on the sale of their products, by paying less for transportation, and this also applies to the transportation of manufactured goods. In a word, Sir, this means more money in the pockets of our farmers and manufacturers.

The government looking to the welfare of Canada's industries and anxious to help them out of the depression which has settled on the country since the war, has increased the duty on American coal, thereby giving an impetus to the development of our vast coalfields in Alberta and Nova Scotia. This policy has been well received and messages of congratulation have been pouring into Ottawa by the hundreds. I intend to quote only the opinion of one of our foremost coal merchants in this district, Mr. Napoleon Bélanger, president of the O'Reilly and Bélanger Company of Ottawa and also of the firm of Belanger Frères of Hull. Here is what he stated in The Citizen of March 25th, the day following the budget speech:

> I believe the increase in the duty on American coal is a very good thing: the mine-owners of Nova Scotia will now be able to sell more coal. The government deserves credit for having thus encouraged a Canadian industry.

This statement is all the more important to my mind as coming not from a friend of the government but from a follower of my right hon. friend the leader of the opposition (Mr. Meighen).

Mr. Speaker, I desire to say a word on the question of immigration. First of all let me say that I am utterly opposed to the resolution moved by the hon. member for Centre Winnipeg (Mr. Woodsworth) which was debated in the House last week and which asks that the government assume the responsibility of looking after the welfare of every immigrant unable to find employment within two years after their arrival in this country. I believe that every immigrant who, after two whole years finds it impossible to earn a living out of the land the government gives him should be sent back to his own country, so as to prevent him from competing against our Canadian workmen in the cities. I state here and now, Mr. Speaker, that I stand ready to vote against this government if it fail to protect our workmen. You know that at the present time work is hard to find, a great many of our workers are unemployed and those who have work earn only $2 or $2.50 a day. Do you think a family of five children together with the father and mother can live on a salary of from $15 to

$18 a week? I say it can't be done, and that it is the duty of this government to see to it that fair wages are paid our workers as also to prevent immigrants from replacing our Canadian workmen in the large cities. I was pleased to learn that the government intends to appoint a special committee to consider the matter of Old Age Pensions and look into the suggestions which the provincial governments have been invited to submit. This humanitarian plan is one that is very close to my heart and I trust the present session will see a bill of this kind become law. I earnestly wish to congratulate the Prime Minister (Mr. Mackenzie King) on having a truly Canadian policy. He never misses an opportunity of asserting our autonomy. And so to-day, Canada may sign treaties with foreign countries without necessarily going through the formality of having them witnessed by the British ambassador. What a contrast to the imperialist policy of the right hon. leader of the opposition who is ever ready to sacrifice our last man and our last dollar for the safety of the empire. Even had he nothing else to his credit, that would be sufficient, for the right hon. Prime Minister to feel assured of the support of my compatriots and my province.

I declare here and now that as long as the Liberal party follows that lead, as long as it is faithful to the policy of Sir Wilfrid Laurier, as long as it continues to govern in the interest of the masses and not of the classes, it will remain in power, for the greatest good of the Canadian people. Before resuming my seat, Mr. Speaker, I wish to say that I intend to vote against the amendment of the former Minister of Finance (Sir Henry Drayton) and for the budget brought down by the hon. Acting Minister of Finance. (Mr. Robb).

Mr. MURRAY MacLAREN (St. John City and Counties of St. John and Albert): Mr. Speaker, this afternoon the hon. member for Brome (Mr. McMaster) made reference to the Roumanian and Greek loans, and he was of opinion that it was fair to add these loans to the budget surplus, an opinion which he founded largely on the presumption that the security for these loans had improved. But I would submit that the greater or lesser security of these loans does not enter into the principle involved. If there has been an improvement in the security, so much the better; but that is not the principle upon which payment of the debt should be treated. Surely it is a simple matter and may be put thus: When should the debt be regarded as paid? The answer, I submit, is: When the debt has been paid.

Now, the member for Brome in his reference to free trade ran true to form. It seemed to me that he was pursuing a phantasmagoria—seeking for something that did not exist. He said that he would approve of the government voting assistance to the Cape Breton miners. At the same time he was unwilling to make such changes in the tariff as would relieve the local situation. Increases in the tariff on coal which would do away with the trade difficulties, and so relieve the distress of the miners, did not appeal to him as being the proper course to pursue. I notice that the hon. member did not regard these important factors which follow in the train of the encouragement of an industry: the increased use of our railway system by the augmented coal traffic; the national advantage to be gained by the increase in interprovincial trade; and the local advantage accruing by the increased employment of our coal miners and the spending of their wages in the district. I would submit that these and other advantages far outweigh any disadvantages that might arise from the increase in the price of coal.

During the debate we have been impressed with the large increase in our national liabilities, due mainly to railway deficits. The increase in the country's debt, estimated at about $100,000,000, is of particular importance in view of the high rate of income tax. As a consequence it will be noticed that many members in the course of their speeches made suggestions as to how the situation might be best dealt with. References have been made to extravagant expenditures by the government, and I think these were easily established. Undoubtedly there are many expenditures that might well have been postponed until a more favourable time. Then the export of raw materials and the benefits that might result to the Dominion from some export duty thereon were dealt with by several hon. members. Of course, protection as a policy to increase our manufactures and add to the prosperity of the country was fully discussed. On all these subjects suggestions have been offered to the government, and it would seem that all that was necessary to bring about national prosperity and reduce our heavy debt was for the government to avail themselves of these suggestions. Now, looking over the list that I have recited, it has occurred to me that certain words in the general confession would apply extremely well to the action of the government: It has done those things which it ought not to have done, it has left

undone those things which it ought to have done, and there is no health in it.

There is still another subject which I do not propose to discuss at present and that is the resolution which has been standing in my name on the order paper since the opening of the session, but so far there has been no opportunity of having it discussed, although I am optimistic enough to still hope that such an opportunity will be given to me before the session closes, for I feel that in that resolution dealing with the National Railway policy of Canada is contained a matter of great national importance, and I submit, Sir, that it would be a misfortune if no opportunity is given for its discussion by the House.

But there is a subject which I do propose to say something about. I refer to the customs tariff as it concerns imports from the preferential standpoint. And I do not apply the word "preference" in any narrow sense. I do not necessarily suggest that it must mean what is called the British preference; but by the words "preference" and "preferential customs tariff" I mean any tariff which gives an advantage or preference to a country sending its goods direct to us. Under this heading I will not enter into the merits of any trade treaty: that is a somewhat different subject, and there is, too, a great deal to criticize in some of the recent trade treaties that have been passed in this House. Nor have I any reference to the height of the tariff; that implies a discussion of free trade and protection. Apart from trade treaties or preferences, or the merits of them per se, and apart from any question of the height of the tariff, what I have in mind is something—a preference or advantage—that encourages any country to trade direct with us and to send its products here. In connection with this matter there is an interesting article in the thirty-second annual report of the Department of Trade and Commerce for the year 1924. At page seventeen there appears the following:

> What is Canada's greatest need to-day? No prolonged study is necessary to decide. It can be answered in one word: trade. Increase in trade distributes prosperity among those on the land, those engaged in transportation, in banking, in manufacturing and in other directions. . . . .
>
> Why should we continue to send our gold to a foreign country and depreciate our currency and buying power by paying outside for goods we could purchase at home or within the empire? And the extraordinary fact is true that frequently we pay, in and through a foreign country, for goods produced within the empire. We are thus building up foreign ports, contributing to the maintenance of foreign transportation companies, and paying commission to foreign commercial houses. We do not begrudge them prosperity and success, but such transactions are at the expense of our own people and our own country.

[Mr. MacLaren.]

> The services and facilities of a foreign country are frequently sought perhaps because it is the line of least resistance, because of inertia or of a dulled sense of what is due to Canada.

In that report there is stated very well the criticism which one, and indeed the report itself, has of the action of the government, "a dulled sense of what is due to Canada." In the course of my remarks I hope to illustrate that one of our difficulties has been simply this, a dulled sense of what is due to Canada by reason of inaction on the part of the government; an increased activity and greater courage in meeting these conditions will go far I think to solve many of our difficulties. I agree with what is contained in these extracts I have read. While I am referring almost entirely to what is connected with imports, incidentally I should like to give to the House two or three figures relating to exports. The total exports from Canada to overseas countries last year via Canadian seaports amounted to $393,441,998 as compared with Canadian exports through the United States of $223,678,390; that is to say, of the total exports overseas of Canadian products over one-third were sent through United States ports instead of going through Canadian ports. In other words, 36.2 per cent of our total exports overseas went through United States ports as against 63.8 per cent that were shipped via Canadian ports.

As regards the imports, goods coming into Canada indirect through United States ports amounted to $13,890,483, or 4.7 per cent. It will be noticed that this 4.7 per cent is much smaller in proportion in regard to imports than the figures I have given for the exports. But that does not convey an exact statement; the figures are no doubt right, but there is something more to be noted. All products that come to the United States, and are paid for in the United States irrespective of any ultimate designation to Canada, are placed to the credit of the United States, and we know as a matter of fact, nor is there any doubt, that a considerable amount of products coming from overseas into this country is credited to the United States and not to the country of origin.

I shall speak first of the British preference, which as we know applies to the United Kingdom, British India, North and South Rhodesia, Ceylon, New Zealand, South Africa, various British African possessions, Mauritius, Fiji, and other British countries. All of these British possessions may receive the preference if their products are sent to Canada whether through Canadian or United States ports. The

House will remember that two years ago a discount of 10 per cent was added to the British preference. It was found that a large amount of goods was coming through American ports, and to encourage the importation of these goods through our own ports east and west a discount of 10 per cent was added to the British preference, but that does not apply to spirits, sugar, tobacco, cigars and cigarettes. The 10 per cent also does not apply if the duty does not exceed 15 per cent, either ad valorem or specific, or ad valorem and specific combined. It will be noted then that the preference, even with the 10 per cent additional, does not cover a great deal of the goods that come to this country. It does not include, as I have stated, spirits, sugar, tobacco and cigars, nor does it include articles on which the duty does not exceed 15 per cent. Now we know that there is a large amount of products brought into this country which do not exceed the 15 per cent. For example, last year free imports amounted to $26,621,062. Then also under the general tariff last year we imported $22,374,078 of goods. Now if the products coming in under the general tariff and the products coming in free are added together it will be found that $49,000,000 of imports may come into Canada through Canadian ports or through American ports on exactly the same basis; in other words, there is no advantage in bringing them to our own ports and to our own rails.

Let me now state very briefly what are the advantages in doing our own business. One of the great weaknesses of this country is its failure to do its own business. Now here is one way of doing it. We have our own ports, with all the employment they can afford, and all the disbursements from the steamers. We have our own railways, which at the present time are not doing sufficient business. I am trying to point out to the House the advantages we would gain from a change in our customs tariff, which would help to bring about to a very large extent all these desirable objects. I have said that the British preference, even with the 10 per cent, does not include a very large amount of importations into this country.

Mr. ROBB: My hon. friend is quoting figures, I suppose, for the fiscal year ending March 31 last?

Mr. MacLAREN: Those are the figures for 1924.

Mr. ROBB: From figures compiled for the year ending December 31, it appears that less than one per cent of the importations of goods coming in under the British preference came by other than Canadian ports.

Mr. MacLAREN: I have the figures up to the end of February 1925, which I will give the House in a few minutes. I take it that what the Acting Minister of Finance is referring to is the 10 per cent discount to the preference, and I have not reached that yet. What I am pointing out now is this: Take the British preference as it is, without the 10 per cent. That is now in operation, and any of our British dominions that are within the preference can import their products, with certain exceptions, into this country either through United States ports or Canadian ports on equal terms. Now I said that in addition to that, there is a large importation that is not affected or covered by the preference, that is goods that come in under the general tariff, and those that come in free. These can come in, even with the preference in operation, either through American ports or Canadian ports on equal conditions.

Now we come to the 10 per cent discount. That does not affect spirits, sugar or tobacco. In other words, as it stands now, with the 10 per cent discount in operation all sugar, all spirits, all tobacco, can come into this country through United States ports or through Canadian ports on equal terms. The Acting Minister of Finance has referred to what I presume are the results of the 10 per cent discount which has been added to the preference, and I am glad to say that there is substantial evidence that that is having a very beneficial effect. It is satisfactory for the country, and it is additionally satisfactory as furnishing all the argument I need to show that not only does this preference, even a small preference add greatly to our trade, but it is capable of very material expansion. Last year the imports from the United Kingdom under the preferential tariff amounted to $102,944,427. The imports from the United Kingdom, under the preferential tariff, through United States ports amounted to $811,749, while the imports from the United Kingdom, under the preferential tariff, through Canadian ports, amounted to $102,132,678.

The figures as regards the effect of the 10 per cent discount have already been quoted. The statistics have only been kept during the last year, but notwithstanding that, if you look back over the different years and compare the amounts that have come through Canadian and through United States ports under the preference, when you find that the amount through United States ports has greatly diminished, it is a fair inference, when

the drop was so great and so sudden within the last year or two, that it is due very largely to the 10 per cent discount which has been added. The result is that last year 99.2 per cent of the imports under British preference came through our own ports. I have here the return for eleven months up to February 28 of this year. I think the statement of the Acting Minister of Finance only covered the period up to December. I am now referring to the showing to the end of February of this year, and the total imports from the United Kingdom were $135,430,030; and from the United States $350,635 with the returns for another month of the fiscal year still to come. I take it as fairly clear that the results this year will be even better than those for last year, even although they were particularly satisfactory. I would think no member of this House would ask for it to be otherwise. Surely no hon. member here regrets the ten per cent discount that was given, judging from the results that accrued from it. Satisfactory as it is I think the preference should be carefully considered still further and made use of to the extent that seems reasonable and advantageous to this country. I do not think that every possible exigency is covered by the British preference as it is. I am not arguing at all as to whether the preference is too high or too low, that is not the point. This inducement was offered in order that trade might be done through our own country, but there are some instances that I have mentioned where really the ten per cent discount does not meet the case fairly. It permits of forty-nine millions of imports coming equally well through the United States as through our own ports. I do not mean to say that all such imports are coming to the United States, I know they are not, but there is a considerable amount coming; the least that can be done in the case of imports coming free from overseas into Canada is to insist upon their coming through our own territory.

In the same class I would put the West India agreement, which is a special arrangement between those colonies and Canada for the mutual advantage of each. In the West India agreement it is laid down that the tariff shall not at any time be more than fifty per cent of the duties in the case of importations under the general tariff, but tobacco, cigars, cigarettes and spirits, with the exception of rum, are excepted from the provisions of this agreement. I would draw the attention of the House to the fact that under the West India agreement preference all or any West Indian products can be brought into this country just as well through the United States as they can through Canada. There is not a ten per cent discount and, as it stands, there is no discrimination in favour of Canadian ports as compared with United States ports. Under the circumstances the fortunate thing is that we do get so much trade through Canada. The amount of the West India products that come through the United States may be put down as two millions as against something over twenty millions. Let me say here that there is another point to be considered: the figures of the imports through the United States while accurate as to the method of book-keeping do not represent the actual conditions. We will take the case of bananas that has been so well dealt with by my hon. friend from Cumberland (Mr. Logan). In the case of the importation of bananas into Canada, what country is it charged up against? Not the West Indies although the bananas may come from there; they are credited to the United States. Why? Because they are bought and paid for in the United States. Therefore I would warn hon. members in looking over these figures, and considering the features of the different preferential tariffs, to study the details carefully, otherwise they may get an entirely too favourable opinion of the existing facts. There are, I am informed, many articles imported into Canada as United States exports which are actually the products of other countries. I illustrated that by mentioning the case of bananas from the West Indies.

Mr. BROWN: Then in estimating the balance of trade between Canada and the United States the difference would not be as great as it seems on the surface—that is in considering simply the difference between the exports and the imports to and from the United States?

Mr. MacLAREN: I think that is no doubt correct, but I am a little doubtful as to whether the importation of bananas is a very important factor in the question of the balance of trade between Canada and the United States, the figures are so large. What I am pointing out is that looking at the statistics of the imports from the West Indies into Canada they do not actually represent what we are getting from that territory, and to that extent I think the present treaty is at fault. It is essentially a preferential treaty and it is capable of many improvements according to my judgment. I want to draw the attention of the House to article 8 in the Canadian and West India agreement which states:

The governments of any of the colonies aforesaid on giving six months' notice may provide that to be entitled to the concessions granted in articles 5 and 6 the products of Canada shall be conveyed by ship

direct without transhipment from a Canadian port into the said colony or by way of one of the other colonies entitled to the advantages of this agreement.

The government of Canada on giving six months' notice may provide that to be entitled to the concessions granted in articles 2 and 3, the products of any of the colonies aforesaid shall be conveyed by ship direct without transhipment from the said colony or from one of the other colonies entitled to the advantages of this agreement into a Canadian port.

No doubt the government are aware of that, but I trust that the matter will receive consideration at its hands—the advantage of giving that six months' notice and having the preference restricted to direct business done with our own country.

I observe that there is a notice on the order paper regarding a change in the tariff on grapefruit. It is proposed that grapefruit shall come into this country free. It may be pleasant for one to be able to have grapefruit at a very low cost, but I should like to ask, under what condition could it be considered as a necessity of life. Surely it is a luxury, and I think anyone who wishes to enjoy grapefruit should be prepared to pay a reasonable amount for it, and we shall be interested later on in hearing from the Acting Minister of Finance (Mr. Robb) his grounds for putting grapefruit on the free list. At the present time bananas come in free, either through the United States or direct to Canada, and the principle that has been introduced seems to me absolutely correct, that there be a preference given; that is what we wish the minister to do, but that does not mean that these things are necessarily to come in free. Surely there can be sufficient preference given to the importation of grapefruit from the West Indies to encourage them to come here, and yet not require us to go to the extreme of a free entry. A few days ago we listened with much interest to the report of the commissioner the hon. member from Cumberland (Mr. Logan), which report was well delivered in this House. I thought it was an admirably prepared report. It showed much evidence of the enthusiasm, the assiduity and the energy, with which the hon. member carried out his work. It must be our wish that his efforts shall be successful in increasing the trade with the West Indies. From such experience as I have had, I have no doubt the recommendations in his report in reference to the increase of trade agencies are necessary and essential things to encourage trade. When these offices are opened up, I hope they will not fall into the error that was made in regard to the offices in South Africa, Australia and New Zealand, where the offices are properly equipped and furnished, but where the decorations, including the pictures of our Prime Ministers, past and present, good-looking men as they are, as well as the pictures of Ministers of Trade and Commerce do not add to the trade. That is not what the people want. It is not business. By all means, let them be placed there, but at the same time let us have something illustrating the actual production, the activities, the manufacturing and the natural products of this country. I suggest that when we establish these additional offices and agents in the West Indies a little more care be taken really to make the pictures of some advantage and something worth while.

I am sure from what I know of the West India service that there is need for improvement in the ships. We want more cold storage, better ships, better accommodation, more speed. These things are most desirable. We are not getting the trade which we otherwise would get, because there is a better service via New York. At the same time I know the West Indian trade has been carried on between Halifax, St. John and the West Indies for many years. I suppose it goes back to confederation or before, and I know that the people, while they are anxious to improve the service, are most anxious that nothing should be done to break into a well-established route. The hon. member for Cumberland has spoken of the various routes proposed from Montreal, Charlottetown, St. John and Halifax to the West Indies, and has suggested that six boats be employed. To me that sounds rather attractive, but I think one would be wiser not to express an opinion regarding the suitability or feasibility of this proposed service until it has been carefully considered and discussed by men actually in the trade. At the same time, Mr. Speaker, I trust that the investigation held last year will be productive of results.

In addition to the British preference and the West Indian agreement, there are others which are somewhat different, but the principle I think is largely the same. For instance, the French treaty of 1922 applied not only to the French colonies but to many other countries, Norway, Switzerland, the Argentine, Denmark, Japan, Russia, Venezuela, and I believe that even Australia comes under that convention. I do not say anything in reference to the French treaty although I believe there are grounds for very grave criticism of the effects of that treaty. But that is not what I am dealing with. The principle introduced in the treaty that I venture to approve of is that which restricts the prefer-

ence to articles coming through our own ports and territory. Then there is the Italian treaty of the same year with a similar provision. Then there is the Belgian and the Netherland treaties which are really on the same basis. They are getting the intermediary tariff I believe, but they are getting an advantage. Imports under these treaties must come to our own ports and must use our own railways, and therefore I say we are on the right line. There may be points here and there which we could improve on. There may be too many imports that are escaping this provision, but in so far as it goes I think the principle is sound.

Then in addition to all these tariffs and these treaties there is what is called the general tariff, and that tariff is a free-for-all. It is free for every country to make use of. Let me mention the countries or most of the countries that come under the general tariff. We have Germany, China, Austria, Brazil, all of South American foreign countries—except Colombia, Venezuela and the Argentine—Mexico, Central America and Spain. These countries, and I think a few other countries, when they wish to import into Canada, pay the general tariff. It is optional whether the imports pass through Canadian or United States ports, or over American or Canadian railways. There are also certain imports from all countries, Great Britain and elsewhere, under the general tariff, and in those cases it is free to them to come by either country.

Neither the country nor the House has heard anything of a definite character from the government in reference to the Australian treaty. I hope that treaty will materialize. I had an opportunity of meeting Australians, New Zealanders and South Africans during the last year, and the report came out then to South Africa that the treaty had been signed and would come into operation. That is a good many months ago. Since then I have had opportunities of speaking to those in authority, and those in trade in those countries. They were pleased at that information which has not yet been verified, and they are anxious to do business with Canada. The Australians, while most anxious to trade with us, are rather bitterly disappointed at the small amount that we buy from them. The figures are not conveniently at hand, but I think I am right in saying that the Australians buy about twenty times as much from us as we do from them. The New Zealanders buy much more from us, although not as much as the Australians, than we buy from them, and about the same is true of South Africa. I know many

of them feel that we might fairly try to bring such treaties into force so that we might do more business with them, and I urge the minister, if possible, to expedite the Australian treaty. It will be most favourably received in those countries, and I think, if it is a proper treaty, it will be well accepted in this country.

What do I suggest as a result of what I have said? In the first place, I suggest that the British preference do away with the 10 per cent and that, whatever the advantage is, it apply only to Canada. Let it be made what it was originally intended to be, as it was originally drafted. Have the British preference apply to British possessions in the way it does now, but let us require that it be limited to the using of Canadian ports and Canadian railways, and that it shall not apply to products coming through a foreign country.

The second suggestion that I would make is in connection with the West Indian agreement. At the present moment, I am not aware of any real difficulty in giving six months notice and making the agreement with the West Indies apply in the same way as I propose for the British preference. The West Indies, as a matter of fact, may make use of the British preference if they choose, but it is their option to have that special agreement.

My third suggestion is that conditions governing importations from overseas under the general tariff and those in the free list which now can be made through either Canadian or United States ports be changed; that not necessarily a large advantage, but sufficient advantage to attain the object be given, and that all importations coming from overseas under the general tariff or under the free list have some preference in coming to Canada direct. Of course, in the case of free entries, one could not make any preference unless a bonus were given, nor is it necessary as regards what I am speaking of to change our tariff. If it is put the other way, if there is a higher tariff for goods coming any other way, there is no material difference. The essential principle is that there be a preference and an advantage in dealing with our own country through our sea ports.

That completes all that I have to say on this subject. In my opinion, a situation is never so bad that it cannot possibly be worse. I feel in this case there is a silver lining to the cloud and the silver lining is the disintegration that is now taking place in the left wing of the Liberal party. I feel that disintegration will spread to the other wing, and then when you have both wings involved

and incapacitated, we know what the natural result will be.

Mr. E. A. LAPIERRE (Nipissing): Mr. Speaker, I wish first to congratulate the Acting Minister of Finance (Mr. Robb) upon the budget he has brought down. The fact that the budget has been criticized by the Conservatives on the ground that the tariff is too low and by the Progressives because it is too high will satisfy the clear-thinking people of Canada that he has taken the only true course consistent with our economic conditions. Let us now examine the conditions which our Acting Minister of Finance had in front of him when he brought down this budget. Let us look at the European situation which has a tremendous influence on trade conditions in Canada. Nowhere in Europe have conditions become stabilized. Conditions are now as bad as they were immediately after the war. Our Conservative friends have attributed the Canadian situation to the tariff. Still, if we examine the European situation, we shall find that, notwithstanding the fact that many of the industrial nations of Europe have raised their tariffs, no stability has been brought to them, and even at the present moment the Herriot government in France finds itself in danger of its political life on account of the imposition of a ten per cent levy upon the wealth of that nation.

Our Conservative friends have also attributed the conditions existing in this country to our immigration policy. During the session of 1923 they were crying out about the exodus to the United States. The Conservative press was also carrying on a propaganda which painted in dismal colours conditions in Canada and in glowing colours the prosperity of our neighbours to the south. As a result hundreds of prosperous families in northern Ontario were induced to migrate to the United States. In proof of what I am stating, I may say that hundreds of those families have since applied to the Repatriation Bureau in Montreal for assistance to return to their homes. What were the conditions which confronted them when they reached the United States? I may say that the population engaged in agriculture in my section of Ontario are largely French Canadians, and generally their families are large. When those people reached the industrial centres of New England the cotton and woollen mills were paying off their employees by the tens of thousands.

Now, are conditions in Canada as bad as our Conservative friends would have the people believe? I have before me the last report made to the shareholders of the Bank of Montreal by the president, Sir Vincent Meredith, and the general manager, Sir Frederick Williams-Taylor. Sir Vincent Meredith said, in part:

While hesitating to prophesy, I am satisfied that a gradual improvement in the trade situation is occurring. Statistical returns support this view and while there is irregularity in the movement, in the main the trend is upward. There has been a better demand for steel in various forms, specially from railroads; textile trades are gradually recovering from the slump, and dealings in hides and leather have broadened. Other indices may be cited: thus, carloadings showed an increase until affected recently by the smaller prairie crop, while building operations have kept pace with last year, which in turn showed a substantial increase. Figures of foreign trade are encouraging. In the twelve months period to October 31, the aggregate value of this commerce was $160,000,000 greater than in the preceding year, the total being $1,895,000,000. We have been able to reach this large amount chiefly because of the enormous western grain crop in 1923, and in a survey of economic conditions there is no more satisfactory feature than the improvement in agricultural returns. Last year there was greater volume; this year there is greater value. Farm products have always made the largest contribution to Canada's export trade, being greater than the combined export value of all commodities. A gratifying feature of the statistics of foreign trade is the growth of favourable balance. In the last seven months the excess of exports over imports amounted to $120,000,000, as compared with an excess of $15,000,000 in the corresponding period last year, and if the comparison is carried over a twelve months period the favourable balance is found to be still greater. I regard this increase in Canada's foreign trade credits as an augury of a not distant improvement in domestic business. Canada offers inducements to immigrants vastly superior to those of other countries which are at present endeavouring to attract citizens. It stands third amongst the countries of the world in natural resources. We possess half the forest area of the British Empire; our mines produced in 1923, $214,000,000 worth of metals, and the surface is scarcely scratched. Canada stands second in the world in coal deposits. Her water powers are estimated at 18,000,000 h.p., and she enjoys unexcelled transportation facilities. For those with some capital and a willingness to work, the cheap rich lands of western Canada offer a means of healthful subsistence and, in time, a better competence than can be obtained elsewhere. Yet cardinal virtues must be practised, and I would again stress the necessity for hard work and economy, so often preached and seldom put into practice, and the need for immigration. Given these three things, I look forward with the utmost confidence to Canada's future.

Sir Frederick Williams-Taylor said:

Our favourable trade balance has been derived from the following exports; agricultural and animal products $619,000,000; wood and paper, including pulp, $256,000,000; minerals and their products, $158,000,000; other exports, $52,000,000.

Concluding, he said:

We in Canada have much to be thankful for. We have our riches in our forests, our fields, our fisheries and in our minerals, also in our mighty water powers and in the industry and ambition of our people. Where is there a country other than the United States where so high a standard of living prevails? A large portion of the community, notably farmers, who at an earlier day knew little of luxury, now have their electric light, telephones, motor cars and radio. We have no

doles, poorhouses are hard to find and, comparatively, there is little unemployment. The United States for the moment possesses a stronger attraction for emigrants from the Old World, but, taking a longer view, Canada still stands out as a land of opportunity. Nowhere else in the world can the desirable settler from Europe find such good land, such cheap land, under such stable conditions of government and so near to great purchasing markets for farm products.

I would call the attention of this House particularly to the figures quoted as to our favourable trade balance. We find that we exported agricultural and animal products to the value of $619,000,000. It will be seen that in order to have a balanced budget, in other words, a prosperous country, agriculture first of all must be made prosperous. It is Canada's basic industry and it is useless for the apostles of protection to think that Canada can be made prosperous unless the farmer is first given an opportunity of enjoying the same privileges and the same standard of living that obtain in the United States to-day. And how can that be obtained with the policy preached by hon. gentlemen opposite who demand an increase in the tariff? Will that benefit the farmer who has to find a market in Europe for the large surplus of his production? This is no complex question of economics; looked at from the point of view of the ordinary business man, it requires no deep study to realize that the manufacturer in the east depends wholly upon the prosperity of the western farmer. We often hear on this side of the House that the high protective tariff has made the United States prosperous. But, Mr. Speaker, there is now a new point of view; after one hundred and fifty years of protection the United States to-day has reached the stage where the wheat grower and the cotton grower are told that they must cease production, that the time has come when the United States, owing to economic conditions in Europe, must become a self-contained country consuming its own production and producing for its own consumption. This is the view taken by leaders of the Republican party in the United States to-day. I have here a report of the Coolidge Agricultural Commission which is to be made public in the United States in a few days and from which I shall read a few extracts. I am now quoting Mark Sullivan in his report to the New York Herald-Tribune:

> Any one who follows closely the current developments in government and business in America must recognize the beginnings of this trend. An essential part of the trend is that government and business, including agriculture, agree upon it. This sympathetic cooperation is itself a definite condition of the era on which we are entering. The purpose of it, as yet, is partly instinctive and not fully defined even in the minds of all the leaders of it. But it is apparent that the government and practically all lines of business in the United States are coming together in an impulse of mutual self-protection to meet the conditions of world-trade arising out of the economic rehabilitation of Europe and its increasing activity.
>
> The policy which America is moving toward, as yet gropingly, is one of withdrawing to itself, making itself a self-contained country, and trying to maintain our high standard of living by avoiding the competition of Europe, in either the role of buyer or of seller. A fairly certain result of that policy should express itself in advocacy of a tariff that will be protective beyond the previous standards of protective tariffs.
>
> The recommendations of the Agricultural Commission include this: "The American farmer can neither compete with imported agricultural products. . . nor can he compete in foreign markets for the sale of his products at world price-levels, created by foreign wages and standards of living. This means that the American farmer is to get out of Europe, both as a buyer and as a seller. That policy runs counter to the former farm leadership which looked to the revival of Europe as a revival of the market for American farm products.
>
> Running parallel to this, and implied in it, is the theory that the American farmer should at once have complete protection for his own products, and also be tolerant of complete protection for everybody else, the whole looking to a high standard of living for everybody in America.
>
> It is inherent in the policy the Agricultural Commission recommended that the high standard of living in America, both for farmers and for everybody else, be kept secure by a tariff on manufactures sufficient to safeguard America against competition from abroad. This, too runs counter to what has been the teaching of some farm leaders for years past, that the tariff on manufactures should be revised downward so as to bring about lower prices for what the farmer buys.
>
> This new policy proposed by the Agricultural Commission looks to two ends. One is that the American farmer should cease to raise more of any commodity than he can sell in America. To many farmers it will come as a startling suggestion that they should cease, for example, to raise wheat for export. The cotton-raising States will be surprized at any advice to ignore the foreign market, but competent judges in Washington say the rest of the world is already tending to buy less and less of the American cotton crop, and to turn for its supply to countries where it can be raised by lower-priced labor.

This is the situation to-day in the United States. The leaders of political opinion in that country have come to the stage where they are admitting to the world that they can no longer compete against the low wages and standard of living that obtain in Europe. What effect will that have on Canada? Can the Canadian farmer in the west adopt such a policy, or does the Canadian farmer in the west fully realize what is implied in that policy which is now being advocated in the United States? Canada must for the next century be an agricultural country and must depend upon its natural resources and upon its farm products to develop along the lines which all Canadians look forward to. The Liberal party when it came into power four years ago realized the situation, and it would be just as well for us now to analyze the results of four years of administration in

Canada by this government. When the Liberal party came into power it found the country going rapidly into bankruptcy. It is admitted by financiers who fully realize our position to-day that we were nearing the danger point, and the Liberal government that assumed office at that time did what any sound business man would have done under the circumstances. They found that in order to make the country prosperous our national debt must be consolidated; the administration of public affairs must be carried on economically; the railway deficits must be wiped out and a true balance found between the requirements of the east and the requirements of the west. And they put into effect the only policy which could restore prosperity to the country.

I find in the report of Sir Frederick Williams Taylor that the second item in our favourable trade balance is wood and paper, including pulp. There has within the last few years been a propaganda in Canada in favour of putting an embargo on pulpwood, and to those who have but a superficial knowledge of the conditions in northern Ontario this has appeared to be absolutely necessary in order to stop the complete depletion of our northern forests. There is no doubt that those who have had an opportunity of seeing northern Ontario transformed within the last few years from a sombre forest into bustling mining towns, prosperous villages, and large areas of fertile agricultural lands know that the depletion of our forests is going on very rapidly, and I was pleased to hear in the speech made by the Minister of Public Works (Mr. King) that the government fully realizes the seriousness of the situation and are studying means of preventing a further depletion of our forests. But when I see in the press and hear some of our leading public men advocating an embargo, I feel that we should hesitate before putting through any drastic legislation, and that we should first make a thorough survey of the whole situation.

Let us now examine the present situation in Canada with reference to the pulp and paper industry. The capital invested directly in forest industry is about $600,000,000. The total production value, including the lumber and pulp stage, is $266,000,000, and if paper products are included, $323,000,000. As against the latter figure, our exports of these products total $210,000,000, or nearly two-thirds of the total production.

Emphasizing the situation from another standpoint, our imports of the same products amount to $19,000,000 of our favourable trade balance, which was $191,000,000. If we include in the exports and imports, figures for furniture, doors, sashes, cooperage and other highly manufactured articles, it would be necessary to deduct some $3,000,000 from the favourable trade balance. Canada's grand total imports of all commodities for the calendar year 1922 was over $850,000,000. Of this amount, wood products contributed $210,000,000, or almost one-fourth of the total. Canada's exports of wood and wood products to the United States amounted to $175,000,000; that is to say five-sixths of all the wood products which we exported went to the United States. Finally, of Canada's total exports to the United States amounting to $340,000,000, wood products contributed one-half. In our trade with that country, therefore, the forest production plays an even greater part than agricultural products.

Let us now draw the trade balance as respects pulpwood in eastern Canada. We have on the debit side an annual cut of pulpwood for use in Canada of 4,700,000 cords; pulpwood exported, 1,000,000 cords; losses from fires, insects and diseases, 6,150,000 cords, making a total of 11,850,000 cords. On the credit side we have an annual increment in pulpwood forest of 4,615,000 cords. Net amount of depletion from forest capital 7,850,000 cords.

These figures will show that it will be absolutely necessary to devise some system of forest protection. There is no doubt in the minds of those who have watched the depletion of our forests that in the near future some system of controlling insect diseases and forest fires must be worked out in co-operation between the different provinces and the federal government, and that a large saving can thereby be effected. On the other hand, before considering any legislation that might endanger the American market, I would call the attention of the House to the fact that Canada has not and never did have a monopoly in pulpwood; Canada never had and never can have a monopoly in newspaper print. To illustrate this, I just wish to quote from the Manchester Guardian Commercial, which is not a Canadian paper biased by local conditions. It says:

> The Swedish pulp industry has made remarkable headway during 1924, the total exports during the first ten months exceeding the experts for the corresponding period of 1923 by some 270,000 tons. But what probably will appear as the most notable feature is the increasing extent to which America is drawing her supplies of wood pulp from Scandinavian countries. In the value of exports the United States ranks as Sweden's best customer, although Great Britain takes first place with regard to quantities, but this is mainly accounted for by a large proportion of Britain's purchases consisting of the less valuable but

more bulky, wet mechanical pulp. Producers in Sweden, having sold one-third of their output for 1925 at the beginning of the year, have good reason for regarding the outlook with an added measure of optimism. And the reports that American paper-makers have already placed large orders for spring shipments of sulphite and kraft pulp are significant, not only because they suggest that American paper-makers are not anticipating cheaper pulp in the near future, but also as an indication of the increasing inadequacy of American home supplies of raw material for the paper industry.

Mr. DICKIE: If it is a matter of such small moment to the American paper men, why are they spending so much money in sending delegations to Washington and lawyers throughout this country, and employing counsel to try and block any restrictions on the export of our raw material?

Mr. LAPIERRE: That is very easily answered. For the simple reason that the United States have now adapted themselves to the conditions that are existing at the present moment. They have found a market where pulpwood can be purchased just a shade lower than it can be anywhere else. But the slightest increase in the price of pulpwood in Canada to-day would divert those buyers to other markets. There is only a very narrow margin at which pulp can be taken profitably out of northern Ontario and Quebec; for my hon. friend's information I may say that the paper interests at the present moment are having the pulpwood limits of Newfoundland and Alaska cruised as possible sources of supply. I quoted a few moments ago an article from the Manchester Guardian Commercial. I have here also an article from the Financial Post of March 20. There has been some discussion as to the amount of sulphite and sulphate pulp and newsprint coming from Scandinavian countries, and in reply to a request made by people interested in this question the Financial Post on the date mentioned published the following details:

Swedish pulp and paper exports to all parts of the world.

	Tons.
Mechanical sulphite	240
Sulphite pulp	84,200
Sulphate pulp	266,000
Newspaper print	184,000
Imports into United States	
Sulphite pulp	326,477
Sulphate pulp	161,167
Newsprint	61,722
Total imports	
Sulphite pulp	934,536
Sulphate pulp	342,238
Newsprint	1,357,449

It will be seen that Sweden supplied more than one-third of the total imports of sulphite pulp into the United States last year. Canada's share was 367,753 tons or about 41,000 tons more than was supplied by Sweden. In sulphate pulp Sweden took a leading position supplying about fifty per cent of the total imports. Canada's contribution to the total under this heading was 140,000 tons or some 21,000 tons more than was supplied by Sweden. Newsprint was shipped from Sweden to the United States to the amount of 61,722 tons in 1924. In this respect, of course, Canada's position is well secured and Canadian mills supplied last year 1,107,008 tons. Sweden, however, held the leading position for newsprint among European countries, the total amount imported from Europe during the year being 156,600 tons so that approximately forty per cent of this entire amount came from Swedish mills. I am quoting these figures because there has been a tendency in Canada to believe that we had a monopoly in pulp and were gradually developing a control of the newspaper situation. The argument has been advanced that by putting an embargo or an export tax on pulpwood we would force the American paper manufacturer to transfer his plant to Canada. Now anyone familiar with the newspaper situation knows that improvements are being made daily in the treatment of different substances for the manufacture of paper; that in the United States at the present moment there still remains a very large quantity of hardwood, such as beech, birch and maple which can, at a very small advance over the price of spruce pulp, be converted by the soda process into pulp suitable for newspaper print. At the present moment also, experiments are being made as to the suitability of South American grass for this purpose. Experiments are likewise being made along other lines, which lead us to believe that within a very few years a substitute may be found for spruce in the manufacture of paper.

Now, Mr. Speaker, the chief objection I have to an embargo on pulpwood is based upon the fact that it will injuriously affect the settler in northern Ontario. It has been my privilege to live among the settlers of northern Ontario for thirty years. I saw the first settlers who went into that part of Canada cut and burn pulpwood which to-day brings them a sufficient return to enable them to clear their farms profitably. To show the House what the pulpwood industry means to the settlers of northern Ontario and Quebec I will quote figures here taken from the return of the Royal Commission on Pulpwood. In 1920 the total value of ordinary forest production

on the farms of Canada was $67,700,000. If to this figure there be added the value of maple syrup and maple sugar—obviously products of the forest—the total is over $72,000,000. This is of interest. The $72,000,000 of forest products represented more than eleven per cent of the total grain crops produced on the farms of Canada in 1920; it was over thirty-two per cent of the value of all forage crops; over eleven per cent greater in value than the value of all field crops other than the foregoing, namely greater than the aggregate of all root crops, tobacco, hops, flax and so on; more than two and three-quarter times the value of all fruit crops produced on the farms; and finally was considered greater in value than the total egg production. All of us who are familiar with the situation in northern Ontario realize the value of pulpwood to the farmer; and one of the inducements to the farmers from the older part of my constituency who have left their farms since the wood industry has moved farther north is the fact that they can clear their farms profitably by means of the pulpwood they take out and dispose of.

Mr. DICKIE: You say that after they clear their farms they move on?

Mr. LAPIERRE: In some parts of Nipissing, along the streams where the land was poor, the farmers left when the lumber camps moved because they had no market. When the lumber camps moved farther west they were too far away for the farmers without transportation facilities to reach them. Consequently they moved further out to new farms and they are to be found to-day all along the line of the Transcontinental from Quebec as far west as the boundary, Manitoba.

Mr. DICKIE: Would it be a fair inference that they moved from those farms as soon as the pulpwood was exhausted and went further back?

Mr. LAPIERRE: No, these farms were in the unproductive part of Nipissing. They moved away and to-day they are in the famous clay belt of northern Ontario, the most fertile land in the province of Ontario.

Mr. DICKIE: The pulpwood commission in their report referred specially to the bogus settler who cleared his farm of pulpwood, and when it was cleared he abandoned it, and went further away to some other district.

Mr. LAPIERRE: In reply to my hon. friend, I may say that all that land has been abandoned by the farmers. It is to-day the most suitable land that could be taken up by the government and used for reforestation. There are certain lands in northern Ontario which, when stripped of their timber, are not of any use for agriculture. In the olden days less care was taken in the selection of farm land owing to the high prices obtained for farm produce. Lumbering was being carried on on a large scale in Ontario. In the old days, timber was floated down the Ottawa and taken as far as Quebec, largely from that section. A tremendous market was created for the farmers in that district, but once the timber was cut and the lumber camps moved from that section of Ontario, the farmer had no market for his produce. In order to make this clear to my hon. friend I may say that in that section the farmers raised nothing except hay, oats and potatoes. Their land was hardly rich enough to make farms.

Now, Mr. Speaker, in this report of Sir Frederick Williams-Taylor I find the third item is, mineral products $158,000,000. It has been an annual habit of mine to quote figures illustrating the tremendous production of minerals in northern Ontario. Without taking up too much time I will quote a few figures to show what the mineral wealth of northern Ontario means to the future development of Canada. During the last few years tremendous developments have taken place in northern Quebec and northern Ontario. In the great pre-Cambrian range, the most important, the largest, and the most extraordinary deposit of mineralized rock has been discovered. That district, extending from the province of Quebec right around the shores of Hudson bay and reaching into the Yukon, with its southern extremity in Minnesota, will produce almost all the valuable metals known to science, and it has been said by the mineralogists of our Department of Mines that the surface of the country has only been scratched. Here are the figures of the production of northern Ontario for 1924:

Gold	$25,000,000
Silver	11,500,000
Copper	13,000,000
Nickel	20,000,000

Now it is interesting to note what this industry means to the other parts of Canada and I have here a table showing what the mines buy by provinces, as follows:

Nova Scotia	$ 821,288
New Brunswick	94,968
Quebec	310,790
Ontario	3,382,064
Manitoba	29,214
Saskachewan	31,536
Alberta	789,748
British Columbia	1,892,322
Total	$7,382,526

The wages paid were $33,000,000, supplies $25,000,000 and dividends $10,000,000. The following will show who benefits from the production of mineral wealth. Taking the northern Ontario mineral production of $68,284,658 and setting aside $10,000,000 for dividends, wages $33,000,000, the rest is spent as follows:

Meat	$3,692,700
Dairy produce	4,220,000
Flour, bread and cereals, etc.	2,299,000
Fruit	471,000
Sugar	990,000
Tea	380,000
Coffee	130,000
Vegetables	1,121,000
Fuel	3,105,000
Rent	4,309,000
Boots and shoes	943,000
Clothing	3,378,000

The mines spent the balance of $25,000,000 on supplies and equipment, and this is how it went:

Machine shop work	$3,250,000
Chemical and apparatus	2,340,000
Coal	1,070,000
Equipment	1,612,000
Explosives	3,000,000
Freight	2,050,000
Hardware	1,145,000
Lumber	1,080,000
Power	4,750,000

The mines in Ontario paid out in dividends in 1924 the sum of $7,797,043. The total since the opening of the northern Ontario mining area, gold and silver, is $139,780,125. The Hollinger mine, the principal gold producer, has already paid in dividends $22,904,000, and in silver the Nipissing $26,383,297, and the nickel mines $85,000,000.

In view of the far-reaching effect this must have on trade in Canada, I would call the attention of the House to the absolute necessity of developing the tremendously rich iron deposits which we have in northern Ontario. I have not the figures at hand in connection with these deposits, but I will refer to this again if I have an opportunity of discussing a resolution which I have on the order paper. What I wish to impress upon the government is the necessity of giving the development of our iron ore deposits the attention that it deserves. There are but few of us in Canada who realize how much the future development of this country depends upon the development of these iron ore deposits. It is known to people engaged in the business that magnetite and higher grades of ore in Minnesota are within calculable distance of exhaustion, and that at the present time those interested in iron deposits are now looking over the situation in Canada. I hope to see the day when this government in co-operation with the provincial governments will give to the iron industry all the consideration it deserves.

Mr. ANGUS McDONALD (Timiskaming): Mr. Speaker, I see by the trend of speeches made by hon. members who have preceded me in the budget debate, that it is the custom to congratulate the Acting Minister of Finance (Mr. Robb) on the budget he has been able to bring down. I cannot go as far as some of the speakers have gone in congratulating him upon his budget, but I must say that I congratulate him upon being able, in a little less than two short years, to bring down a budget, from my viewpoint, at least, somewhat similar in nature to many budgets brought down on this hill in many sessions that have passed into history since 1878. I cannot, for the life of me, see in the budget brought down by the Acting Minister of Finance anything that goes to help the class of people to which I belong, men who have to work out in the rigours of our northern climate, men who have to work on the farm and who are raising children. I do not see where any reductions are made in the burdens that are placed upon them by reducing duties on the stockings and other necessary clothes that have to be worn by those people who work hard, and who, after all, are the pedestal upon which society in this country is built.

The state of my health will not permit me to speak at any length in this debate. The reason that I venture to make a few remarks at all is to try to correct some statements that were made in this House not so very long ago. I crave your indulgence, Mr. Speaker, and I ask you to extend to me the same privilege that was extended to an hon. member last Wednesday afternoon, so that I may correct a few statements that he made and that I do not believe he would have made had he been in possession of the facts. I refer to the hon. member for Lunenburg (Mr. Duff), who stated in this House last Wednesday afternoon that $240,000 of hard-earned money had been filched from the poor miners of Nova Scotia, and that they were very hard up. The hon. member was somewhat out in his figures. Last year, $247,000 was collected from the miners of Nova Scotia, but the hon. member was not in possession of the facts, or he would not have said that eighty-five per cent of the $247,000 ever left Canada or went into the coffers of the United Mine Workers of America. Out of the portion of this sum that goes to the United Mine Workers' organization on the

per capita rating of fifty cents on the dollar, $100,000 went to pay merchants in Glace Bay and Sydney, N.S. for debts that had accrued there in January and February, 1924. The balance went into the treasuries of the district organizations and the locals in Nova Scotia. The dues are one dollar per month upon the miners of Nova Scotia. These are facts. I have paid my dollar a month dues for the last thirty-eight years into international unions, but in our organization we do not have quite as high a per capita going to the internationals. Fifty cents out of that dollar goes to the international of the United Mine Workers; thirty-five cents goes to the district organization and fifteen cents to the local. The thirty-five cents and the fifteen cents go to pay funeral benefits, sick benefits and to take care of other accidents that may happen from time to time.

I wish to put on Hansard this statement that can be verified by any member in this House who desires to seek for himself reliable information on this subject:

> I extend my thanks for your courtesy in writing me and forwarding clippings from the Montreal Star. The news item from Glace Bay contains information much distorted. As a matter of fact eighty-five per cent of the moneys collected by the United Mine Workers of America in Nova Scotia remained in that province and was expended for the use and benefit of Canadian citizens. One hundred thousand of the amount collected was used to pay Sydney and Glace Bay merchants' indebtedness incurred by the Nova Scotia mine workers in their strike of January and February, 1924. The Montreal Star is, of course, favourable to the interests of the British Empire Steel Corporation.
>
> Reciprocating your good wishes, I am,
>
> Yours very truly,
>
> JOHN L. LEWIS,
> President,
> United Mine Workers of America.

He is a man who knows what he is talking about and he does not make any rash statements. Those are the facts in connection with what money was collected, and I think I can leave it in the hands of the Minister of Labour (Mr. Murdock) to verify this statement for me right here.

Mr. PUTNAM: Does the hon. member know whether prior to the disbursements, the money went into the international fund?

Mr. McDONALD (Timiskaming): I have already stated the division that is made of the money collected in dues from the miners of Nova Scotia. Fifty cents per capita goes to the headquarters office.

Mr. PUTNAM: Is that first handled by the international union?

Mr. McDONALD (Timiskaming): No, it is handled by the local first, and then a pro rata share is sent on to the parent organization, the international.

Now I find at page 1772 of Hansard that the hon. member for Lunenburg (Mr. Duff) made this statement:

> It is quite true that there is more destitution and poverty there now owing to the fact that, although these poor miners in 1924 paid $240,000 into the United Mine Workers' fund, that organization has not come across with one dollar, so far, to relieve the suffering in Cape Breton.

I want to state that the international union has come across with at least $50 for every dollar of Canadian money sent across the line. I make that statement of my own positive knowledge, and I think the Minister of Labour will bear me out. I wish to get these statements on Hansard to correct what was said by the hon. member for Lunenburg, who I am sorry is not in his place, and who I believe would not have so expressed himself had he taken the time to become seized of the facts. That is all I have to say, Mr. Speaker.

Mr. D. A. MACKINNON (Queens): Mr. Speaker, the motion before the House is to go into committee of Ways and Means. I take that to mean the ways of spending money, and the means of obtaining money for the purpose. During the course of the debate all sorts of theories have been put forward and I hope they will be helpful to the Acting Minister of Finance (Mr. Robb). By increasing the duty on slack coal from 14 cents to 50 cents he will increase the revenue without making the tariff strictly protective on this commodity, because the coal is sold at $11 or $12 a ton, and 50 cents on that figure is a very small percentage.

While we are looking into means of increasing the revenue, I am going to offer a suggestion. Every year we import approximately $10,000,000 worth of bananas and oranges. Last session in the committee dealing with the National Railways we were told that it was almost impossible to look for trade from the West Indies to the Maritime provinces because the United Fruit Company was carrying the West Indian fruit to New York. I have been thinking this over, and my suggestion is that a 20 per cent tariff be imposed upon these fruits with a 10 per cent preference for those entered through Canadian ports either on the Pacific or the Atlantic. I think this would help solve the trouble we have in the Maritime provinces. Next session when the Acting Minister of Finance announces an addition to his surplus of $2,000,000 from this source, no doubt he will pass a vote of thanks to me for my suggestion. That is the only suggestion I would

make for an increase in tariff duties because my disposition is like that of the last speaker (Mr. McDonald)—I think all our tariff duties should be gradually reduced. But I am going to appeal to his Canadian common sense and ask him if we must not look at this question squarely in reaching a conclusion as to reducing all duties at the present time. During the six years from 1914 to 1920 the government that preceded the present government expended $3,292,000,000—a tremendous sum of money. Now, my friend should not call this government to task for not making further tariff reductions when it has to meet the colossal obligations incurred during that period. That total expenditure was over $600,000,000 more than all governments, Liberal or Conservative, expended from confederation down to 1914. I am not attacking or blaming our predecessors in office.

Mr. TOLMIE: May I ask the hon. gentleman what proportion of that expenditure was related to the war?

Mr. MACKINNON: I am coming to that. I say that I am not blaming our predecessors in office for the whole expenditure. Of that, $1,670,000,000 was related to the war. But I do blame them for not meeting more of the expenditure out of current revenue. In Great Britain during the same six years the government expended as much money as had been expended for over two hundred years before, but they collected 38 per cent of the expenditure while the people were making profits out of war supplies. Had our government of that day the same vision and collected a similar percentage from those who were making huge profits on war contracts, we would not be obliged to-day to retain the duties on this, that and the other commodity in order to meet our obligations. On the contrary, we would have been in a position to reduce the tariff all around. To ask the Acting Minister of Finance to make further tariff reductions at the present time is to put an impossible burden upon him. Look at those who have preceded him in the Department of Finance, look at the ex-Minister of Finance (Sir Henry Drayton) who brings in an amendment, which stultifies itself in that in the first part he asks the government to reduce the sales tax, and in the second part he says that the tax cannot be reduced because we have spent so much money. The amendment is self-contradictory. The ex-Minister of Finance states that the government have increased the national debt this year, but I submit that he is mistaken and that the amount due has been decreased by over $5,000,000.

[Mr. Mackinnon.]

I was sorry to note that the member for Vancouver Centre (Mr. Stevens)—coming from a city that has perhaps progressed more than any other city in Canada under this administration—cast aspersions on the Acting Minister of Finance by stating that in private life the Acting Minister of Finance would have been guilty of moral obloquy if he had published such a statement as he has submitted to the House. But we regard him as the soul of honour, and I contend that he has submitted a perfectly correct statement to the House, for any hon. member who examines the budget will agree that he has properly accounted for a cash surplus of $1,823,000. In addition there is $4,000,000 interest due from Greece and Roumania, and if he had not included that sum in the assets of the Dominion he would not have been doing his duty as a minister. I find that in 1921 a certificate was given by an auditor brought from the United States, and in it these loans to Greece and Roumania are included; and in the public accounts at the present time there is a certificate, which the minister produces, showing that this conforms with the account as given at that time. The question is asked why that $4,000,000 was put there. Well, it was earned on principal; part of the principal had been paid and part of the interest was due. It was adjusted and there was found to be $4,000,000 altogether due. And that is capitalized in the way that any mortgage is dealt with. That $4,000,000 as I understand it is interest-bearing as the $30,000,000 is. The thing is as simple as it can be and there is no attempt at dishonesty or anything of the kind.

Mr. FORKE: Does the hon. member wish to convey the idea that anyone disputed that this was an asset? We all recognize the fact that it is an asset but it went into the public accounts of the country as money received. That is the difference.

Mr. MACKINNON: No; I will explain it.

Mr. FORKE: You have a surplus of $1,800,000 and add $4,000,000, claiming $5,000,000 altogether of a surplus. That was the statement of the minister.

Mr. MACKINNON: That was not the way the minister put it; he said that the debt would be reduced by $5,000,000. And that is right. If the hon. member will look into the accounts for the year 1921 he will see at the beginning that the entry is cash so much; and the same applies to the year 1924. In 1923, the accounts for which appeared last

year, there was an entry, "by cash" $45,000,000. Under this are the Imperial loans and loans to foreign countries, Roumania and Greece. All these are set forth in the table, not as a cash balance but merely by way of a statement of the situation; and a certificate of the auditor brought from the United States when the hon. member for West York (Sir Henry Drayton) was Minister of Finance appears printed in the statement with these items included. The whole thing shows where the country stands; it is a statement of the capital debt in 1921 just as it is a statement of the balance of capital debt in 1925, and the situation could not be properly set forth unless this $4,000,000 were included as going to the reduction of the amount of the debt. Anyone who understands figures will appreciate that. As to the words "cash surplus", I do not think the minister used that expression.

Mr. FORKE: He certainly used the word surplus. There is no dispute about the amount being an asset, but if the hon. member will look up the speech in question he will find that the claim was made that there was a surplus of $5,000,000.

Mr. MACKINNON: That amount is so much ready to be subtracted from the debt of the country.

Mr. FORKE: No one is disputing the fact that it is an asset.

Mr. MACKINNON: What I find fault with is the language that is used, reflecting upon the honour of the man who heads the department at present (Mr. Robb) and who has burdens enough to bear. He fills an important office and should have the sympathy and support as well as the intellectual help of every man in this House. This country is too large and its problems are too great to be managed on the lines of recriminatory party politics; we have tremendous burdens to bear and it will require the courage of the best men we have to manage our affairs properly.

I have already referred to the question of increasing our revenue, which amounts to some $344,000,000. Now, the government has been blamed, in the amendment which has been proposed, for extravagance, for spending too much, and that sort of thing. Our expenditures amount to some $342,000,000 and of that amount $184,000,000 consists of interest and pensions as well as statutory payments to people who retire. The minister therefore can use no discretion whatever so far as this much of the expenditures is concerned; it is there in spite of anything he may do. The minister must meet interest charges and he must pay the pensions that are due, and those pensions will increase because more people throughout the country will have to be looked after. So that when this $184,000,000 is subtracted from the total expenditures, what is there left for the Minister of Finance to be extravagant with? There is only about $160,000,000 or less. And if we look back to the years 1914, 1912 and 1911 we shall find that the government of that time was expending that much money without any complaint. I think the expenditure in 1914 was some $127,000,000. But there is a great deal more reason to-day for spending money than there was at that time. Now, it is no use creating a feeling throughout the country that the government has been extravagant, because the fact of the matter is that the affairs of the country have been handled with exceeding care; and we should be pleased that the minister was able to come out with any surplus at all. It was estimated that with the falling revenue in customs, and in view of the condition of business in the country generally, the government would come out badly. And some of our critics, it seems to me, would have been better pleased if the government had announced a deficit of $25,000,000 or so. But surely that is not the attitude for hon. members to take. We should be proud indeed that the minister came down with a surplus; and he did not manage that without the greatest possible care, for he was pressed on every hand for increases in the expenditures. Every part of the country has been claiming some increase here and there and it speaks well for the control the minister exercised that the situation is as satisfactory as it is. I wonder what the hon. member for Timiskaming (Mr. McDonald) would do if he were in the minister's place. Reference has been made to the miners of Nova Scotia. Well, I have had a notion of asking the Minister of Finance for enough money to carry on mining investigations in our island, but after the fuss that has been experienced in the neighbouring island I think I shall give it up for a few years. We do not want any disturbance of that nature in Prince Edward Island where the people are doing very well.

There are a few things that have arisen in this debate to which I might refer in passing, and one is the argument that has been advanced that more protection would provide employment for a larger number of people. And France is taken as an example. But

France to-day has a deficit of four million or five million dollars. Perhaps that might please some hon. gentlemen who are anxious to have the tariff increased. I do not know that many hon. members would object to increasing the tariff here and there if the reasoning were sound. But hon. gentlemen forget when they take the United States and other countries as illustrations that we have our own experience in Canada to guide us; and I think our soundest judgment would be based on what has happened in this country itself. Let us go back to the time the National Policy was adopted and see what progress was made since then. At that time our manufactures amounted to some $350,000,000 and after ten years of protection it had increased only by $165,000,000. That was the first decade in the operation of the National Policy. Men of a different school of thought came into power in 1896, men who were in favour of reducing the tariff and making it one of revenue rather than of protection. They were condemned for doing it. It was said that it would injure the country, but still they went on, and what has been the result? We should base our judgment on experience, which is the best teacher we can have. We had an increase from 1901 to 1911 of $650,000,000 in manufacturing alone.

Mr. FORKE: Does the hon. member not think that the opening up of the northwest, the building of railways, and the large influx of settlers into that territory had more to do with the increase in manufacturing than the tariff had?

Mr. MACKINNON: I think the government was condemned for opening up the country with railways at that time.

Mr. FORKE: That is not the point.

Mr. MACKINNON: They began to come in in large numbers, not in 1901, but later. They came in in hundreds of thousands in 1907, 1911 and 1912.

Mr. FORKE: From 1901 to 1911 were the ten big years.

Mr. MACKINNON: If that helped, I am pleased to acknowledge it, but that development took place under a reduced tariff. The trade of the country increased by over half a billion dollars from 1896 to 1911. Everything was going right ahead at a rapid rate. Of course, the tariff for revenue did not do it all. The people had to do it, but it was under that system this growth took place. Having learned that lesson, I think it is up to us to have a tariff for revenue only, and to reduce it here and there as soon as we can get along with less revenue, but you cannot get along with less revenue than the minister is seeking this year to meet the country's requirements.

The United States is often quoted as an example of a high protectionist country that we should imitate. I am surprised that some speakers urge that, because to-day the United States is more free trade than protective. She imports 58 per cent of her merchandise entirely free of duty. If we were to imitate the United States, we would be allowing agricultural implements to come into this country free; we would also allow leather for boots and shoes, and manufactured boots and shoes to come into this country free. If some of those who urge us to follow the example of the United States knew that, they would not point so often to that country as an example. But that is the situation in the United States. They are handling more in the free trade line than in the protective line. They have, of course, high protective duties on different items, but taken as a whole their protection is not nearly so high as ours. If you will compare the two countries you will find that the duties in the United States amount to about $5 per capita, compared with $10 or $11 per capita in Canada. That is another reason for reducing the duty. What I maintain is that we are more protectionist to-day than is the United States by that per capita difference. Very few people think so, but if you will look at the statistics you will find they figure out that way. I think the time has gone by to talk of protection. We do not want to hurt any industry at all. Industries developed better under a tariff for revenue than they did under protection, and they will do it again. The manufacturers of this country will prosper a great deal more under that system.

On motion of Mr. Mackinnon the debate was adjourned.

PRIVILEGE—MR. MEIGHEN

POINT OF ORDER—FORM OF ANSWER TO A QUESTION—RULING BY MR. SPEAKER

Mr. SPEAKER: The House will allow me to give a ruling on the point of order raised this afternoon. On the 2nd April an answer was given by the hon. Secretary of State (Mr. Copp) to a question put by the hon. member for Kent, N.B., (Mr. Doucet). The question reads as follows:

1. What was the amount paid by the government in connection with the investigation and report made by Sir Henry Drayton in regard to the North Atlantic Steamship Conference and ocean rates?

A further question was asked by the hon. member for Kent, but it is the answer to the

first question to which exception has been taken. The answer to the first question, given by the hon. Secretary of State reads:

1. Sir Henry Drayton was carried on the pay-list of the Board of Railway Commissioners for the period from July 31, 1913, to September 21, 1913, when he was employed on the ocean rates inquiry, and he was paid during the inquiry his regular salary rate as Chief Commissioner, namely $12,500 per annum, and $1,074, expenses.

Objection was taken to this answer as not being the proper one to make to the distinct and specific question asked by the hon. member for Kent (Mr. Doucet). Rule of the House No. 37 reads:

(1) Questions may be put to ministers of the crown relating to public affairs; and to other members, relating to any bill, motion, or other public matter connected with the business of the House, in which such members may be concerned; but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same. And in answering any such question the matter to which the same refers shall not be debated.

The government, when questions are put, can always ask that the question should stand as an order for return, and when they deem that it is not in conformity with the public interest that an answer should be given they can decline to answer the question. In the present instance, however, the question is very simple, and very specific. I shall repeat it:

1. What was the amount paid by the government in connection with the investigation and report made by Sir Henry Drayton in regard to the North Atlantic Steamship Conference and ocean rates?

The question asked has reference to the amount which was paid Sir Henry Drayton es qualité of investigator in connection with the North Atlantic Steamship Conference and ocean rates, not as chairman of the railway board. The Railway Act clearly defines what were his powers and duties as chairman of the railway board. It states further—section 26—what salary was to be paid him es qualité of chairman of the railway board. In the present instance the answer is beside the issue, because the question put by the hon. member for Kent is, what was the amount paid by the government in connection with the investigation and report made by Sir Henry Drayton in regard to the North Atlantic Steamship Conference and ocean rates? It has no reference to his statutory duties as chairman of the railway board.

May, at page 249, says:

The purpose of a question is to obtain information, and not to supply it to the House. A question may not contain statements of facts, unless they be necessary to make the question intelligible, and can be authenticated; nor should a question contain arguments, inferences, imputations, epithets, or controversial or ironical expressions.

May here speaks of questions, but of course the same argument applies to answers. When a mere question of fact is stated in a question, the answer must refer to that fact without any inference. The present question, in my humble judgment, is clear and intelligible. There is a clear-cut question and it calls for a clear-cut answer or no answer at all. There was, in my judgment, only one of two answers to make: Either the government should have answered that Sir Henry Drayton had received nothing in his quality of investigator of oceanic rates, or that he had received something. The answer as it reads leaves an inference and equally it should not remain in Hansard. Bourinot, at page 314, states:

An answer to a question cannot be insisted upon, if the answer be refused by a minister on the ground of the public interest.

That is what I meant a moment ago when I said that the government could decline to answer on the ground of public policy. Bourinot continues:

The answer to a question should be brief and distinct.

In the present instance, in my humble judgment, the answer is not distinct. The question being specific; the answer should have been specific. I, therefore, rule that the answer be expunged from the Hansard and if the question is put again, a distinct answer should be given.

Mr. BELAND: It is impossible in this instance, without the question being asked again, to have another answer given.

Mr. SPEAKER: It is for the government to answer or not. As all authorities state, if the government thinks that the question should not be answered on the ground of public interest, they may decline to answer. But if a question is put as distinct and intelligible, as the one put on the 2nd April last was, the answer of the government if given must be as distinct, clear and precise.

Mr. BAXTER: In the absence of my leader (Mr. Meighen) may I suggest that the question, or that portion of it that is not answered, should be restored to the order paper, and an answer given in due course?

Mr. SPEAKER: The hon. member has only to give notice of his question again and it will be answered in due course.

On motion of Mr. Stewart (Argenteuil) the House adjourned at 11.05 p.m.

Tuesday, April 7, 1925

The House met at three o'clock.

OCEAN SHIPPING RATES

REPORTS OF SPECIAL COMMITTEE

Mr. A. R. McMASTER (Brome): Mr. Speaker, with your permission I would like to present on behalf of the special committee appointed to consider the resolution to give the government of Canada control over certain ocean rates, the following as their first, second, third and fourth reports:

Your committee recommend that they be authorized to have their minutes of proceedings and evidence printed from day to day for the use of the members of the committee and that rule 74 be suspended in reference thereto.

Your committee recommend that they be granted leave to sit while the House is in session.

Your committee recommend that the reports on freight rates made by the special committee to inquire into Agricultural Conditions during the 1923 session be referred to the committee.

Your committee recommend that all reports, letters, documents and other papers laid on the table of the House during the present session and referring in any respect to the order of reference to the committee, be referred to the committee.

May I crave your permission, Sir, and that of the House, to move the concurrence in these reports immediately? I do so because they are purely formal and it will tend to expedite the business at the next meeting of the committee, which will not be held until after the Easter recess, when we desire to proceed without delay.

Mr. MEIGHEN: May I ask the hon. member who christened the committee with this name?

Mr. McMASTER: To examine into ocean freight rates, or give control?

Mr. MEIGHEN: Yes.

Mr. McMASTER: I think it is a christening for which the clerk of the committee must be responsible. I presume he gathered his inspiration from the speeches delivered in the House in connection with the subject matter.

Mr. SPEAKER: This motion requires unanimous consent.

Motion agreed to.

PARLIAMENTARY REPRESENTATIVES AT WEMBLEY

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, can the acting leader of the House give us any information as to when we may expect a report from the delegates sent from this parliament to the Wembley exhibition, and the results of their tour of inspection?

Hon. J. A. ROBB (Acting Minister of Finance): I will inquire with regard to a report. Perhaps the deputy minister has it now.

CORRECTION—Mr. LOGAN

DUTY ON COAL

On the Orders of the Day:

Mr. HANCE J. LOGAN (Cumberland): Mr. Speaker, I desire to make an explanation: In the debate yesterday, when the hon. member for Brome (Mr. McMaster) was speaking, I interrupted and stated that the legislature of Alberta had passed a certain resolution in reference to coal duties. I find that I had been misled; it was not the legislature of Alberta that endorsed the increase of coal duties; it was the government of Alberta.

Mr. MEIGHEN: Is that the Progressive government?

Mr. GARLAND (Bow River): With all due respect to the question of privilege raised by my hon. friend opposite, I beg to point out to him that it was the Premier of Alberta, not necessarily the government.

Mr. LOGAN: When the premier speaks the government speaks.

RURAL CREDITS—REPORT OF DR. TORY

On the Orders of the Day:

Mr. M. N. CAMPBELL (Mackenzie): May I ask the Acting Minister of Finance if the government has any policy to announce with regard to the recent report received from Dr. Tory on rural credits?

Hon. J. A. ROBB (Acting Minister of Finance): No, not yet. I will be frank with my hon. friend and say to him that I have not had time to read the report, but I propose to read it during the Easter holiday.

OLD AGE PENSIONS

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): May I ask whether the old age pensions bill is ready for presentation to the House?

Hon. JAMES MURDOCK (Minister of Labour): The hon. gentleman will note that there is on the order paper, under Government Notices of Motions, a resolution that is to come before the House as soon as we get the present business out of the way.

THE BUDGET

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

The House resumed from Monday, April 6, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. D. A. MACKINNON (Queens): Mr. Speaker, the problem of finance is always an important one in Canada, and it is getting more complex as the amounts involved become increasingly larger than those of olden times. I think the proposal of the minister who is chargeable with the finances of the country, having to do with methods of obtaining revenue, is a very good one, namely, to have the assistance of a board of experts who will be able to take up the different items that compose the imports of the country, go into them carefully, and, if they are men of ability and experience in handling tariffs, come to sound and reasonable conclusions. Such men should not be hard to find. In fact, the minister no doubt has in his own department men of ability and experience, but the volume of the work has increased so much that I think it would pay the country well to have such a commission as is proposed by the minister.

I have taken the trouble to look into some of the items of import with a view to understanding the matter thoroughly. I examined the figures with respect to entries for horses and I found that in one case there were $9,000,000 and in another $99,000. It might be thought from these figures that horses could be taxed very heavily and that quite a revenue could thus be provided, but I found upon investigation that most of these horses came in only temporarily, for exhibition purposes and for races, and had gone out of the country afterwards. In fact, the $99,000 was represented by only 123 horses, so that it would not be possible to obtain much of a revenue from an item like that. I mention this only to emphasize the fact that if a commission of, say, three men go into these matters item by item they will know where to recommend an increase and where to recommend a decrease in the duty without resulting disadvantage to any part of the country.

We may have different ideas. There is a school of thought very strongly for free trade, and there is a school of thought very strongly for protection. We have these two schools, and they are both entitled to their opinion. If the school for protection had had their way last year and had made the duties very high, so that we would have had, say, $100,000,000 of a surplus last year due to protection, it would of course be a great thing to reduce the public debt by that amount, but that burden would have had to come on the people in some way or other, and I think they are not able to stand $100,000,000 more being taken from them through higher tariff duties at the present time. But this board could consider, for instance, the question whether it would be advisable to have free trade within the empire, and propositions of that kind which might help us a great deal in working together. It might take up the proposition whether the tariff should be increased in any one item or another, or reduced. They could take up all these questions and advise the minister and the government on the matter. I need not say anything more on that subject. I think it is a good idea to have this board appointed, for it is a killing business for the Minister of Finance to undertake all this work alone as the head of the department, and we could not long expect to get good men to undertake all this work if the entire burden was left on their shoulders.

I think the Acting Minister of Finance (Mr. Robb) is also entitled to a great deal of credit in connection with the handling of some of these loans. He had made a saving of $2,500,000 in interest in the loans he has floated, and I think he is to be commended for that. I observe, however, that the loans are floated for short periods, some for so many months, and some for so many years. I would submit with all respect that in Canada to-day, or as soon after this as we can do, a loan of $1,000,000,000 at 3½ per cent should be floated for a term of fifty or sixty years. I think that loan would be taken up. A loan of that kind over a long period would shift the burden, as only the immediate interest would have to paid and there would be a provision for repayment of the principal of the loan in half that period, if need be; but I think we should look ahead and have a long-term loan made by our Finance department in Canada. I think it would be a great help to this country. We are now paying a large amount of interest on our loans, and it is too much for the country to do that and to keep the other necessary works of the country well in hand. In floating a loan like that, it may be a little difficult to find the money, and it will be more difficult still if we go round decrying the country.

Canada, is destined to be a great country and, I think, is fundamentally sound, if you compare our situation with that of the other nations of the world. Canada is no longer the small colony she was a few years ago. She stands to-day—such was the statement made by a noted man who is well up in finance—seventh amongst the nations of the world in wealth. I think his estimate was put at twenty-two billions of dollars. That is a very good standing for this country amongst the nations of the world, when we have been a nation for only fifty or sixty years. The wealth of the country is the first thing I look at, for in floating a large loan over a long period the wealth of the country would need to be looked into. During the past year we have heard people saying that the country is going back, that business is going back. Let us look at the trade of the country during the past year. I think you will find there is an increase in the totai trade of about $205,000,000 over the year before, and of about $450,000,000 over the year before that. That is very satisfactory. It does not show the country is going back if the trade is increasing. Our trade is up now to almost two billions of dollars, and a country that is doing two billion dollars of trade is no mean country. It is a great country, and it is a country we should do our utmost to clear the way for so that it will advance in commerce more rapidly and more clear of the difficulties which are in the way to-day, and to which I am going to refer a little later. Our imports and exports amount in round figures to $1,900,000,000, or almost $2,000,000,000. It is, I think, very gratifying that our trade should amount to such an immense sum. Not only that, but look at the different places where we carry on trade. We look first to our neighbours across the line, the United States. Some people do not like to deal there. I have heard some speakers express the view that they live within themselves over there. President Coolidge has said that they could produce enough within the country itself for their own needs. But that is a very selfish and limited life. We are going in for a larger life in this northern country, if that is their idea in the United States. If you look at what our people are doing to-day, and have been doing in the past year, you will find that we are dealing not only with the United States but with all the different parts of the world, with China, Japan, the countries beyond the South Sea Islands, with every continent, with Asia, Africa, and South America as well as Europe. It is wonderful the way our trade has expanded. I think it is a great proof of the shrewdness and ability of the business men of Canada. And the work of these business men is being helped to its utmost by the Minister of Trade and Commerce in this government.

Now look at our trade with the United States. I look upon them as a very fine people to trade with. Canada did break their windows at one time, about 1911, when they looked through for reciprocal trade, and I think by their Fordney-McCumber bill they retaliated and put their tariff a little bit higher than they might otherwise have done. You find that three and a half millions of the people across the line are Canadians or descendants of Canadians. I saw a precise statement as to the number some time ago, and I think it wonderful that so many of our people should be over there. They are good people to deal with, and they have not gone over there within the last year, but they have been going over continually ever since that country became a republic. The statement of which I have spoken gave the numbers of the people coming into the United States from all the countries outside, from Japan and the different countries in Europe. The people over there are our nearest and friendliest people to deal with, not only the American-Canadians but the Americans themselves. They are sympathetic in their dealings with us, and we are dealing with them to the extent of about one-half our foreign trade, to the amount of almost one billion dollars. We should do everything to make that trade grow. We should do everything to maintain fair and reasonable relations with them. We should take care that everything we send them is of the best workmanship, the very best our manufacturers can put up. We do not want shoes or boots to go across the line with their heels made of paper, as I heard one man down the street say the heels of a pair of Canadian boots he purchased the other day were.

Mr. LAPOINTE: They were not made in Quebec.

Mr. MACKINNON: They were made in Ottawa, I think. That is not the sort of thing that Canada wants. In addition to this importing and exporting business, the workmanship is a thing we should look after. Everything we make should be as perfect as it can be made. We should have the very best leather, and the boots and shoes we make and everything we send abroad should be of the very best workmanship, for you can send an article with a good name into the markets of the world, I care not to what part of the

world you send it, and you will get a good price for it and carry on a good trade there.

If we look at the other nations we have been dealing with, we find that about $664,000,000 of our trade is with the empire, with the different dominions and Great Britain. This is over half our trade with the United States. We carry on trade amounting to about six hundred and sixty-four millions. I think it is a good thing to promote that trade as much as we can; it will develop among us a spirit of co-operation and if we develop each other's trade it will be a splendid thing for the empire as a whole. France, Belgium and Germany do a trade with us of over $20,000,000. We also find that a large trade is developing between Japan and this country. I think we should have sympathy for the Japanese who have experienced such tremendous losses by earthquakes; we should feel glad that they are reanimated and are continuing to do business with this country in such a satisfactory way and with such good results.

I feel very much surprised at the action of the Mother Country in putting into force an embargo upon the export of potatoes from this country to Great Britain. I was going to say that I almost feel ashamed of the Mother Country in view of the reason for this embargo,—the presence of the Colorado beetle. Why, for fifty years the Colorado beetle has been after the potato plant and the remedy used against it is Paris green. I repeat that for fifty years the Colorado beetle has been extending its territory, and yet because of this pest, the Old Country is to-day placing this embargo against potatoes from the United States and Canada. The embargo comes at an inopportune time for us because our people have entered, in a systematic and scientific way, upon the development of the potato trade. During the past year millions of bushels of potatoes of the best quality were shipped from the Maritime provinces to outside markets, such splendid varieties as the Irish Cobbler and the Green Mountain. They were highly apreciated wherever sold and very appreciative notices appeared in the public press in London with respect to them. To show you the excellent quality of our potatoes, demands are made by Virginia upon our province for seed potatoes. The growers there buy about half a million bushels for planting. And here is an extraordinary thing that occurs: I go to Toronto and I find the people there buying the potatoes from Virginia produced from the seed we send down from Prince Edward Island. It is an illustration of the curious route that trade sometimes follows. For the Mother Country to adopt such a strange course with respect to Canada is very surprising, personally I am at a loss to understand it. The Colorado beetle is not found on the potatoes that go to England. The pest lodges on the plants; it does not stay on the potato itself, and the plants are not shipped to England. If the bug remains on the potato top what happens to the potato? It does not develop at all, and we get no potatoes. Some of the growers in our province have eighteen to twenty acres given up to potatoes; some of them as many as eighty acres. As soon as the bug appears on the plant Paris green is liberally used and the pest is destroyed. Then the plant has a chance to grow and produces a healthy and well developed potato. During the past year I saw many acres of potatoes in Prince Edward Island covered with vigorous and healthy plants without any sign of disease. These potato fields are all carefully inspected by inspectors sent down by the Department of Agriculture. Last year when those inspections were made everything was found to be all right, and shipments made to the Mother Country were consequently free from the Colorado beetle. I have looked into this matter somewhat. I found in the Parliamentary Library a work by an expert in Paris dealing with potato diseases. This work was published in 1923 in French, but I took the liberty of translating it for myself. According to this authority there are 150 species of potato bugs in Europe to-day and not simply one species, the Colorado beetle. When I read that I was more than surprised and felt that the Mother Country was not treating us quite nicely. Great Britain is importing potatoes from other countries in Europe where the potato bug exists, and yet she has blocked our trade in potatoes on the ground of the prevalence of the Colorado beetle. I can see no reasonable excuse for this action on the part of the Mother Country. I do find some excuse for the United States because that country put an embargo on shipment of potatoes from Ireland as far back as 1909. The latter country was shipping potatoes to the United States and competing successfully with the American growers. However, we shall be inspired by this experience to turn to other markets and it may have the result of developing greater initiative amongst us. Nevertheless it has been a costly experience during the past year. That is about all I have got to say with respect to the embargo. I speak upon this question with a great deal of feeling because I did not look for this treatment by our own kith and kin, toward those

who have been struggling to make a living after their European experiences.

One of the other questions which greatly affects our prosperity is that of transportation. I take it as an axiom that neither Canada nor any other country can prosper without cheap transportation. When I came up here in 1922 I did my best with the Minister of Railways to secure better treatment. He referred me to Mr. Hanna who at that time was at the head of the management of the National railways. He took up the matter with other officials but for some months no headway whatsoever was made with the matter. I do not say this for the purpose of censuring Mr. Hanna; he was a great financier and was devoting himself to making the railways pay. Later on, Mr. Dalrymple, who was in charge of freight matters for the Canadian National Railways under Sir Henry Thornton took action in the matter and we had reductions made. Some of you perhaps have heard of the appeal "Have a heart, Maggie" addressed to the old lady when she was spilling the beer in the coal scuttle. I think, perhaps, Sir Henry Thornton is of a sympathetic disposition. He has a heart and if he carries that feeling with him it greatly helps in the treatment of difficult questions. I think he has been managing the National railways in a very creditable manner, and that those railways are now going ahead due to the earnest desire of the officials, who are strongly interested in the progress of the country and in seeing the National railways prosper. I am not criticizing those officials in the past who found it impossible to do anything for us. They held office at the time of a great crisis and perhaps it was impossible for them to pursue any other course. At the present time it is very gratifying to note that there is a favourable balance in the operating of the National railways for the past year of over $17,000,000. I hope it will be possible to reduce the transportation rates at a very early date and still manage the railways with success.

It has been urged that immigrants should be brought into the country, and the argument is that they would help to pay the railway debt of the country and other indebtedness. I count that as nonsense. I think it is a very foolish proposition to advance, and it is a peculiar proposition for any public man to discuss. The point is, can an immigrant live well here, and is the country worth living in and worth fighting for? If a man can come here and earn a livelihood, it is a good country to live in. We think it is as good as any country in the world. A man can get along here on his merits. We do not want him to come in and bear the burden. We can shoulder our own burdens if it does take a long time to discharge them. We do not want people to come in for any such purpose; we want them to come in if they feel like coming, if not, we can get along without them. I desire to point out that from what I have observed, there is no doubt that a great many people have been going away from Canada. If we adopt a tariff as high as you like to make it, we would not prevent people leaving the country. But I think this is what persuaded them to leave. After the war, in the United States, there was a great fever for building. Hundreds of millions of dollars were expended throughout the United States in putting up buildings. For this purpose they obtained men from other countries. Men from Ottawa and from different parts of the country went to the States to work on buildings, putting roofs on buildings and so on. Many contractors and carpenters went down there. What took a great number of people from our country for a few years back was the expenditure of a large quantity of money which the government of the United States and the people of the United States had and it was used largely in the work of construction and in work and industries. Hundreds of millions were spent. But we find a change has taken place, and now many of the people are coming back to live in their own country. It strikes me that that is the reason for the great unrest and change which we have experienced. Matters became acute down in the Maritime provinces for this reason; when the tariff was imposed on our people and this National Policy was adopted, the people said: "Let this go through, we will try and get along if it is for the good of Canada." Some people say the same thing to-day. They say: "If you want an increase on this article of five per cent, or thirty per cent, all right; if it is for the good of Canada, we will suffer down here." That continued until conditions became acute. That policy centralized the factories and the capital, and then what occurred? If transportation had been cheap between the Maritime provinces and the central places where the factories were located, the trade would have gone on as usual, but when transportation became expensive we had to pay for the transportation of goods from the factories to the provinces, and the transportation of produce to other parts where it might be sold, and the condition in the Maritime provinces was rather acute. But the country is progressing. We have over a million people. We have industries

in the three provinces that produce $135,000,000 and we are not very badly off. We can carry on more industry and if we were able to ship goods to places throughout the world, the Maritime provinces would be able to carry on as well as any other part of Canada. In agriculture the production of the Maritime provinces realizes about $88,000,000 and the fisheries about $14,000,000. They have a very good field there. I think the fishermen will appreciate the removal of the duty on gasoline engines. This change will help them, and they deserve it, because it will help to build up the fishing industry.

Dairying is carried on in those provinces on a splendid scale and I think the cattle produced there are of a very good class. The Minister of Agriculture (Mr. Motherwell) has been taking a great deal of interest in Prince Edward Island, and he has decided to assist the industry of dairying in that province and to establish accredited herds in a restricted area. I am glad he settled that matter. I hope the House will approve of his proposition when the matter comes up, because it is a small province and the number of cattle is not very large. When the cows are tested there it will improve conditions in that area, so that the island will become a most healthful spot. I think it is the greatest blessing the Minister of Agriculture could bestow on that island, because it will do a great deal towards improving the health of the people. Sheep raising also deserves special attention. There are 83 million fewer sheep in the world than before the war, so that this field for development is attractive. The other minister who is going to assist in the improvement of the island is the Minister of Justice.

We have more to do with the Minister of Public Works with regard to the construction of works down there. We have very few public works to be put through on the island, on account of the economy that is being practised. The Minister of Marine and Fisheries has a great deal to do in looking after the coast. I mention these matters specially on this account, in order to show that they are acting economically. If in any other branch of the public service the ministers were too lavish, the country of necessity would not prosper as it has been doing.

In closing I may say that I think that the material success of the country is not in such bad shape. We have a good deal of interest in it, and we would all like to see every man and woman in Canada in a prosperous state, no matter on which side of politics they might be. If every one would lead a comfortable life we would all be happy, and it is our duty to do all we can to that end. We would like to progress, not only in our material interests, but in other respects. Hon. members must observe that in Canada we produce men of intellect, and their powers are not confined to our country alone. They are exercising an influence throughout the whole world in this way: that with the changes which are brought about we are going to see more daylight in the future, and what we have to do is just to clear the way.

> There's a fount about to stream,
> There's a light about to beam,
> There's a warmth about to glow,
> There's a flower about to blow;
> There's a midnight blackness changing into gray;
> Men of thought and men of action, clear the way!

Mr. J. D. CHAPLIN (Lincoln): I do not intend to follow throughout the speech of the hon. member for Queens (Mr. Mackinnon) who has just spoken. I find that he has been very moderate, and I concur in very much that he said. One thing, however, towards the close of his address caught my attention, and that was the fact that he had learned, owing to the treatment that he received at the hands of Sir Henry Thornton by way of reduced rates on potatoes, that Sir Henry Thornton had a heart. The people of Canada hope that Sir Henry Thornton has a heart. They call upon him to stop useless expenditure and the extravagance of establishing and paying a large staff in Paris. They ask him, along with this government, to practise more economy in the matter of transportation and to reduce costs, and by that means earn the approval of the people of this country. I am glad to know from the hon. member that Sir Henry Thornton has a heart. I think the people of the country will appreciate that very much. He might also cut out some of the useless expenditure on the radio and a whole lot more foolishness—the building of golf clubs all over the country, and foolishness of that kind. I call the attention of the Minister of Railways (Mr. Graham) to this matter. In common with other members of the House, I regret very much the absence of the Minister of Finance (Mr. Fielding) through illness. We think the country also regrets his absence. His guiding hand has been very much needed in this House, and there is no doubt that he has been missed more than ever during the presentation of the last two budgets. I intend to quote some of the last words uttered in this House on budget matters by the Minister of Finance. In 1922, as reported at page 2106 of Hansard, he said:

The Grand Trunk and the Canadian Northern are now virtually owned by the Dominion of Canada, and when we advance money to them we are, in a sense, lending money to ourselves.

Again in 1922, as reported at page 2107 of Hansard, he said:

During the year four Canadian government loans have been floated. Three of these have been in the names of the railway companies and one a direct government obligation.

Continuing, as reported on the same page, he said:

We still keep up the theory of corporations in regard to these railways; the railway loans are issued in the names of the railway companies, with guarantees by the government. As a matter of fact, the government to-day are both makers and endorsers of those securities; so that practically they are now government loans.

Let me quote further. In Hansard of 1923, under the head of income and expenditures, as reported at page 2640, the minister said:

The revenue for the year was $381,952,286.99 against ordinary expenditure of $347,560,690.63. If the surplus is to be ascertained by comparing the ordinary revenue with the ordinary expenditure—and that was the time-honoured way of determining surpluses—then on that year there was a surplus of $34,391,696.36. But there was a capital expenditure of $16,295,332.55. If we take that into account, both ordinary expenditure and capital expenditure, there was still a surplus of $18,096,363.81. Then there were certain special expenditures, including demobilization charges, of $1,526,583.22. So, if we take into account ordinary expenditure, capital expenditure and what is called special expenditure, there still was a surplus of $16,569,780.59. So far this is a story of surpluses; but there is a further statement to be made which quite destroys that happy picture. There were charges for advances to railways of $97,950,645.36. If we take, then, the whole expenditure for the year, ordinary, capital, special and railways, there was a deficit in that year of $81,380,864.77. After allowances for some deductions are made, the net result was that in that year we added to the public debt, $81,256,818.04.

The minister was reviewing in his budget speech the year 1921-1922. He continued:

We turn now to the year 1922-23 which closed not many days ago. We have not the complete accounts before us, but there is sufficient information to enable us practically to announce the result. Ordinary revenue amounted to $393,619,000. These are estimates, as the figures, are not absolutely final. Ordinary expenditure amounted to about $331,780,000. As between those two items, there was then a surplus of $61,839,000. Capital expenditure, however, represents $14,500,000; adjustment of war claims, $6,700,000; cost of loan floatations, $3,050,000; these representing in all, $24,250,000. There was thus a surplus over ordinary, capital and special expenditures, of $37,589,000. But again the railways have to be taken into account. We had to advance during that year $92,190,000 for railways, and $6,060,720 for the Canadian Government Merchant Marine, making in all for that charge, $98,250,720. This, of course, takes up all the surplus and leaves a large balance on the other side of the account. If we take everything into consideration for the year, the net result was that we added to the public debt in the year just closed, $49,293,086. The receipt of something over $8,000,000 from the British government on exchange account helped us to keep down what otherwise would have been a larger addition to the public debt.

That closes the minister's statement, and I may say that this statement of the minister, the total statement that I have read, giving a clear, distinct account of expenditures for the two years, covered one column of Hansard. It took ten columns of Hansard for us to get a confused, elongated statement from the Acting Minister of Finance (Mr. Robb) that was practically intended to confuse and that gave very little information. The Acting Minister of Finance is not in his seat and not many ministers are present. The Minister of Justice (Mr. Lapointe) is present and I assume that he knows something about the statement. For my part, I have never had any opportunity, although I have some acquaintance with accounts, of seeing these accounts, or of knowing what they contain or how they are made up, and we do not get a full statement of accounts. The Minister of Finance, whose statement I have just read, says that in 1921-22 we had a deficit of $81,000,000 which should be added to the public debt, and that in 1922-23 we had a further deficit of $49,000,000 that should be added to the public debt. I can find no evidence of those two amounts having been added to the public debt. Will the minister who is present tell me if he knows if those items have been added to the public debt? I am sorry I have not been able to engage the attention of the Minister of Justice.

Mr. LAPOINTE: I am listening to my hon. friend.

Mr. CHAPLIN: I see the Minister of Agriculture (Mr. Motherwell) in his seat and I hope he can answer the question whether this amount has been added to the public debt. Do any of the ministers know? Have they any knowledge of those accounts? I explained a moment ago when the Minister of Justice was not listening that I had no way of getting at the accounts and knowing for myself, and I am asking for information now. The hon. member for Brome (Mr. McMaster) is not in his seat, but he told us the other day that these accounts were very clear, and if he were present I would ask him if he knows if those amounts have been added to the public debt. Can any of the ministers tell me if those amounts have been added to the public debt? Are there any other accounts on the other side of the ledger that are not shown in this statement and that should be credited? Do they know that?

Mr. LAPOINTE: We are not sitting in committee.

Mr. CHAPLIN: I am sorry the minister, who says that we are not sitting in committee, does not know. This is a matter in which the people of Canada are interested. It is a matter that the members of parliament are interested in and I think that some minister should be able to answer the question, which is a fair one.

Mr. LAPOINTE: My hon. friend may know many things but he does not seem to know the rules of the House.

Mr. CHAPLIN: I may not know the rules of the House as well as the minister does, but one thing I do know and that is that the people of this country desire to learn something about these accounts. I shall refer again to the statement of the Acting Minister at page 1468 of this year's Hansard. I notice that the acting minister has given us a report for three years, 1922-3, 1923-4, and 1924-5; but has not included the year 1921-2. What was the reason for omitting that year, during a part of which they were in office? That was the year they prepared their first balance sheet and there does not seem to be any reason why it should not be included in this statement. Well, there is a reason; the first year they do include in this comparative statement shows that they paid $80,000,000 in cash to the railways. But had the government included the previous year the accounts would have shown that they had to borrow money for this purpose and it did not suit them to give the full information. That is the reason why the year 1921-2 is not included in this statement of loans to the railways. There is another question I want to ask the government but before I put it I shall quote the statement of the Minister of Finance (Mr. Fielding) regarding the actual figures for 1922-3. He says:

> But again, the railways have to be taken into account. We had to advance during that year $92,190,000 for railways and $6,060,720 for the Canadian Government Merchant Marine, making in all for that charge $98,250,720.

I find on referring to this statement that the acting minister gives us for the year 1922-3 the sum of $80,000,000 as having been paid to the railways in cash, whereas the Minister of Finance (Mr. Fielding) in his budget speech that year gives the sum of $98,000,000. I want to know, and I think the House is entitled to know, what became of the difference of $18,000,000. Where is it? But we are told that we are not in committee and that therefore the government cannot answer.

I referred a moment ago to the fact that the minister had devoted one column of Hansard to a succinct, definite, positive, straightforward statement of the affairs of this country for two years while the acting minister had taken up ten columns, two of which comprised political propaganda while in the remainder the accounts were so mixed up that nobody on the top of this earth, unless he were an accountant, could make them out. And yet we have hon. gentlemen in this House who will get up and tell us that the accounts are clear and understandable. I want to know just what they mean; but of course we are not in committee and the government cannot answer. So much for this statement. A statement has been sent forth to the country that we have a surplus this year of $1,800,000.

4 p.m.

But before I leave this point definitely I want to make a comparison between the alleged surplus of this year and the accounts as we have had them before; I want to compare the financial statement for 1923-4 with the present one. In the year 1923-4 the receipts amounted to $393,000,000; whereas our present receipts amount to $344,000,000; and in the previous year, the expenditures were $331,000,000 as against $342,000,000 for the past year. In the year 1923-4 there was a surplus of $37,000,000, with a very much larger revenue; and the acting minister now shows a surplus of $1,823,000 before the railways are considered. So that for last year this government does not take the railways into consideration at all, but in the previous year I mentioned the minister did; with a surplus of $37,000,000 in his hand he came through, after accounting for the railways, with a deficit of some $49,000,000; whereas this year the government comes through with a surplus of $1,800,000. If that is not the most ridiculous statement ever foisted upon an unsuspecting public I should like to know what is. And the acting minister in two pages of propaganda gives us a certificate that means nothing, from auditors who never audited.

I want now to come to the principal change in the tariff, and that is the duty on coal. Let me say at the outset that I am in favour of that duty. If the duty on coal is intended to stimulate production in the coal areas I am in favour of it; and if it is intended to take care of unemployment I am still in favour of it. But I wish to point out to the minister that there are other parts of Canada which are suffering to-day from unemployment, and if the government can make provision for one part of the country why can they not provide for others as well? Are they doing it in this case only because they are clubbed into it and not because they want to do it and

because it is right? There are in the provinces of Ontario and Quebec to-day people who are using coal on a large scale and who by this tariff have had an added burden placed upon them. They are willing to bear this burden; but at this very moment the government reduces, in many cases to as low as 6 per cent, the protection which they themselves need. If protection is a good thing on coal why should it not be good in the case of other commodities? If protection is a good thing for the employees in the coal mines why is it not good for other employees as well? If protection is a good thing for workers out of a job in Nova Scotia and Alberta why should it not be good for those in Ontario and Quebec? I had hoped that there would have been in this budget some provision for added protection to certain farmers of the country, and I refer especially to fruit and vegetable growers and to those who are interested in the production of eggs and butter and cheese. And I submit that we should have, in regard to these things, a duty approximating the American tariff. That is what we need in order to stimulate the production of these people. But what do we get? The farmers of Ontario and Quebec ask the government for bread, and they give them a stone in the shape of an export duty on power. Export duty on power? It seems to me the ex-Minister of Finance (Sir Henry Drayton) explained that situation pretty well: if that duty could be laid on the American consumer of power it would be all right; no objection would be taken. But that cannot be done; the duty will be paid by the people of Ontario and Quebec. Ontario power is being sold to-day on the basis of cost and any duty that is placed upon it will fall directly upon the people using the power. I miss my guess if the people do not hand the government a few doses back when they get the opportunity. We await very confidently the chance, and so will they.

I want to say a word in reference to the claim that the people of this country have had their taxes lessened by $52,000,000. Last year the Acting Minister of Finance (Mr. Robb) in his budget predicted that there would be a reduction of $24,000,000 because of the lessened sales tax and because of some slight reductions in the duties. He did not figure on a loss of revenue of $52,000,000. But he estimated wrongly; the reason the revenues went down was because the people did not have the means to buy the goods, and the government should claim credit for that too; they should claim credit for the forced economy of the people. I say the people did not have the money to buy. Many of them were forced out of employment by this government, and those still in the country were working half time. The government have solved this question in pretty much the same way as they have solved the housing proposition. "Canada is coming through," they say in this advertisement which appeared in a great many papers throughout the country. I quote from it:

> The housing scarcity, which was so serious as the result of the cessation of building during the war, has now been fairly met.

"Fairly met"! The people have been driven out of the country, and there are plenty of houses now. Go to Hamilton, Brantford and other places, and see what the condition is. My own city is better off because the government are spending money there on public works and the local people are getting the benefit. But in Hamilton, I understand, there are three thousand vacant houses; and it is the first time since the war that there have been any vacancies of consequence. And the government have solved the housing problem!

Speaking of miscalculations, in his budget speech of 1923 the Minister of Finance (Mr. Fielding) was very cautious, as he always was; when he came to the question of future business all he did was express a pious hope that business would be better. But the Acting Minister of Finance (Mr. Robb) was far more optimistic. In 1924 he said:

> The more of the products of the farm, the fisheries, the mines and the forest we have going to market, the greater will be the earnings of our transportation companies—the greater the purchasing power of the nation, and as a consequence we shall have factories running full time and tradesmen working overtime to supply the needs of those who have money to buy.

Fine sentiments! We have had in this country, Sir, three years of fairly average crops, with very large exports; probably as large as we have ever had in any three normal years. Have our factories been running full time? Have our tradesmen been working overtime? Again in 1924 he said:

> Our budget shows a reduction in debt of $30,000,000 last year and a reduction of taxation of $24,000,000 this year. It is confidently expected that this reduction will give such impetus to trade that it will result in greater development and prosperity to all the provinces of Canada.

Now the acting minister says that the reduction in taxation instead of being $24,000,000 is $53,000,000. Well, if it is reasonable to say that business would be stimulated by a reduction of taxes of $24,000,000, should it not have been far more stimulated with a reduction of $53,000,000? Where has this business stimulation taken place? Has it been in Nova Scotia? Has

it been in any of the Maritime provinces? Is business better in Quebec or Ontario? The truth is that this government have paralyzed business; they have driven thousands of people out of the country, and that is the real reason for our falling revenue and our lessened purchasing power.

I want to discuss for a few moments, Mr. Speaker, a question that is dear to the heart of my friends to the left, and one that has been discussed in this House more times than enough. Hon. gentlemen to my left have accepted it as an axiom that a tariff is a tax and is always paid by the consumer. The hon. member for Brome (Mr. McMaster) has similar views; and the Prime Minister (Mr. Mackenzie King) a few days ago said that the tariff is always a tax. Some years ago the United States put a duty on wheat of 42 cents a bushel. I would like to ask the Minister of Agriculture (Mr. Motherwell), for instance, who pays that tariff tax of 42 cents a bushel on wheat; I would like to ask any of my friends to the left who pays it? Nobody answers. What is the matter with hon. gentlemen? Are they mute?

Mr. FORKE: Nobody pays it.

Mr. CHAPLIN: Nobody pays it? Does this tax, then, come under the head of a prohibitive tax? How can the minister say, how can hon. members to my left say, that the tariff is always a tax? I ask the hon. member who just answered me, is this a prohibitive tax, if it is not paid? Why is it not paid? Why are hon. gentlemen so mute about it? They are not always so timorous.

Mr. SALES: Did the hon. member ever hear of a drawback of 99 per cent for export purposes?

Mr. CHAPLIN: Well, if that is an answer to my question as to who pays the tariff tax, then I must say it is a very intelligent answer, and I commend it to the rest of the hon. gentlemen.

Mr. SALES: That is exactly what happens.

Mr. FORKE: What is my hon. friend's question?

Mr. CHAPLIN: Who pays the tax?

Mr. FORKE: What tax?

Mr. CHAPLIN: The 42 cents a bushel on wheat.

Mr. FORKE: There is none going over.

Mr. CHAPLIN: Well, is it not going over because the 42 cents a bushel is a prohibitive tax?

Mr. BROWN: The flour that is ground out of that wheat is exported and commands a rebate.

Mr. CHAPLIN: I am glad I got my hon. friends moving; I am glad I have got under their skins just a little.

Some hon. MEMBERS: Oh, oh.

Mr. CHAPLIN: Let me read what they say about it in the primer which they put out to educate the people on tariff matters. Let me read for their own particular edification:

> If the rates are so high, on the other hand, that foreign goods are excluded from the country, a tax is still extorted from the people in the shape of higher prices for everything they use.

Now what answer have you got to make to that? They go further than that. Here is a further extract for my hon. friends to take note of, and you will notice, Mr. Speaker, that they do not refer to manufactured goods. It is the general principle. It does not make any difference whether it is manufactured articles or raw material. Here is the quotation:

> As already explained under a system of protection the consumer is compelled to pay a tax upon all imported goods that come under the tariff schedules—

Not on all the goods that come in, but on all goods that come in under the tariff schedules. It goes on:

> Upon all goods of domestic origin produced under a protective system the consumer must likewise pay a tax, although in this case the revenue finds its way to the bank account of private individuals alone.

Now what kind of a theory is that to put up?

Mr. EVANS: Is not that right?

Mr. CHAPLIN: Not at all. I ask you now the question: Who pays the tariff tax? But that does not exhaust the points I am going to bring out. I will take now the question of cattle, something that has been disturbing the gentlemen from the west for a long time. They find a difficulty now in selling their cattle. When they want to ship them to the United States, what hinders them? Is it the tax? If the consumer pays the tax, why not ship the goods in and let the consumer pay the tax?

Mr. MORRISON: Does not my hon. friend understand that the tax is so high that the people in the United States will not buy the goods? The tax is prohibitive.

Mr. CHAPLIN: My answer to the hon. gentleman is this: If the tax is prohibitive, let me read him what these people say in their own book:

If the rates are so high, on the other hand, that foreign goods are excluded from the country a tax is still extorted from the people in the shape of higher prices for everything they use.

Now let us get along. I heard in this House a gentleman from the northwest, whose name I do not recall at the moment, describe the situation concerning a carload of butter shipped from some point in Alberta to New York. By the time the freight and duty was paid, he said, there was very little left for the producer. Now what does that mean? Does that mean the consumer in the United States paid that duty on butter, or does it mean the producer paid it? But that does not by any means exhaust the matter. You can take almost any line of goods. I call as my next witness my very good friend the hon. member for Lunenburg (Mr. Duff), who, everybody will admit, is a perfect free trader, except on the matter of coal. What does he say?

The United States have a duty of from $1.60 to $2 per one hundred pounds on fish.

I ask this question: Do the United States people pay the duty on fish that goes in there from Nova Scotia? According to my friends from the west, they do; the consumer always pays the tax. The hon. member for Lunenburg goes on—Hansard 1923, page 112:

For instance, the business in which I am mostly interested, fish, is hard hit, a duty of $1.60 per hundred pounds having been imposed on salt dry fish, and on salt fish, herring, mackerel and so on, a prohibitive duty of 2 cents a pound. The result is that anybody who ships these goods to the United States receives that much less for them, because the price governing fish is not fixed in the same way as the price on grain or manufactured products, that is, the price of fish is fixed in the foreign market, and consequently the shipper has to pay the duty.

I hope I understand the English language.

Mr. EVANS: The hon. gentleman has been quoting from the Canadian Council of Agriculture, from their platform and the pamphlet written on it. If he reads the English language, he will find a correct answer to his question in that pamphlet.

Mr. CHAPLIN: Mr. Speaker, I think I know that pamphlet quite as well as the hon. member who has just spoken, and if he will indicate to me where that clause is to be found I will have very great pleasure in reading it. There is not a line in the platform that I do not know; I made it my business to know it; and if the hon. member can indicate to me where that is, I will be very glad to read it.

Mr. WOODS: Who pays the duty on the Ford cars coming from Detroit into Ontario?

Mr. CHAPLIN: Do not worry, I can come to that in a minute; but I do not propose to be taken away from my subject by any outside questions. I invited questions from my hon. friends a minute ago, and I found them pretty mute, pretty timorous, but of course they will do anything to get me away from my point.

Mr. BROWN: The hon. gentleman did not sit down long enough to allow us to put a question.

Mr. CHAPLIN: I am ready, Mr. Speaker, to sit down at any moment that any hon. gentleman wants to rise. Can it be made any plainer to anyone who wants to listen that this is still another case where the tariff is not always a tax? If so, I would like to know it.

Of course, the same thing can be illustrated in hundreds of cases of manufactured goods. Had I only at the inception taken certain cases of manufactured goods, my hon. friends—as one did a minute ago—would have tried to put me right out of business. I can tell him this. I have been in business forty years. I have grown up in a business from being the office boy to manager. I have during a period of ten or fifteen years occupied the buyer's desk, and I can say that for the period I was buyer, and it was followed up to a few years ago, on everything that was bought and that came in through the customs house the man that sent the goods in paid the full duty. That was part of the buyer's business to see that he got that, and I claim that you cannot have two parties paying the duty. Now as a finish to this—

Mr. BROWN: I suppose that was not added to the cost?

Mr. CHAPLIN: Mr. Speaker, I did not see the hon. gentleman rise, although he made some remark.

Mr. BROWN: I would like to rise and ask, if the buyer paid the duty in the first place, was not that added to the cost of the finished article, with overhead and so forth, and the consumer ultimately made to pay the duty?

Mr. CHAPLIN: I did not say that at all. The hon. gentleman misunderstood what I said. What I said was that the man who sent the goods in here, the seller, had to make a reduction in his price sufficient to pay the duty, and consequently there was no overhead and nothing else except the ordinary profit to be added.

Mr. EVANS: If that is the case, then in what way does the tariff become of benefit to the Canadian manufacturer?

Mr. CHAPLIN: I am relating something that happened for years under the operation of the tariff. To take care of that very thing the present Finance minister placed a law on the statute book; he enacted a dumping law to which these gentlemen profess to be so much opposed. That was the reason for the dumping clause. The present Finance minister realized the necessity for it because he sat at the helm and knew what was going on, and consequently he caused a law to be enacted to prevent it from continuing. That is the answer to my hon. friend. Is there anything more wanted in the way of proof that the consumer does not always pay the duty than the very law enacted by a Liberal Finance minister to prevent the seller from paying the duty?

Now, Mr. Speaker, I want to refer to another matter. The Acting Minister of Finance has told us that we have lost a lot of revenue. He has even taken that loss of revenue and put it to good account so as to enable him to say "Why, I have reduced taxation." I want to show as briefly as I can some losses that occurred that were not expected, especially when we entered into the French treaty. I have prepared a list—and I think perhaps this may interest the Minister of Justice (Mr. Lapointe)—of imports from France to Canada and of exports from Canada to France, based upon the ten months of the present fiscal year, 31st March, 1924 to 31st January, 1925, and the comparative figures I will give are for the corresponding ten months periods in each of the years quoted. I give the statement in that form so as to make a fair comparison for the ten-month period in question. The Canadian imports from France are as follows:

1923..	$10,255,000
1924..	13,113,000
1925...	15,167,000

So much for the imports; the gradually ascending scale will be noticed. The Canadian exports to France for the same period were:

1923..	$11,299,000
1924..	15,427,000
1925..	8,383,000

From the sum of $15,000,000 our exports to France dropped to $8,000,000. We started in 1923 with $1,000,000 more exports than imports, and ended in 1925 with nearly $7,000,000 less exports than imports. In other words we sold them this year goods to the value of $8,000,000 and we bought from them goods to the value of $15,000,000. Now I want to point out first of all what these exports consist of. They consist principally of wheat; pulp; lead; nickel and other ores; asbestos; coal tar; mica; some sugar; canned lobster and salmon; some agricultural implements; and a few scattered articles of manufacture every one of which—I refer to the manufactured articles—will disappear. Why do I say that these manufactured articles will disappear? Simply because the French minimum tariff is too high for us to take advantage of it; we are in exactly the same category in the case of France that my hon. friends from the west are with respect to cattle in the case of the United States. In respect of these exports that we have sold you will notice that in nearly every case they are raw materials: wheat, aluminum, lead, nickel, ores of different kinds; all raw materials. They buy from us a little sugar, a few agricultural implements, and some canned lobster and canned salmon in reduced quantities, because of the fact that the duties have been raised. The articles I have mentioned represent nine-tenths of the total exports and less than $200,000 of our total business was affected by the treaty. In other words, in new business we obtained less than $200,000 and in addition we lost several million dollars of old business. France wants these raw materials and she would take them anyway; and all we get in the way of new business is less than $250,000. Now, what did we give in return? When we made this treaty with France, Canada gave a list of goods which she could sell to France, and France gave a list of her goods that could be sold here. France gave us her minimum tariff whatever it might be and she got a fixed rate of duty on a lot of articles. That fixed rate of duty could not be altered by this parliament unless the treaty were abrogated. That is the position in which we are so far as the French treaty is concerned, and we get nothing in return to replace what we grant. When this treaty was being discussed I remember quite distinctly the right hon. leader of the opposition saying to the Minister of Finance, "You should have jacked up your tariff before you went over to France. You should have raised your minimum tariff to a scale that would enable you to trade with them and have something to trade with." I also remember that the hon. member for Lisgar (Mr. Brown)—he is not here this afternoon.

Mr. BROWN: He is right here.

Mr. CHAPLIN: Yes, I see the hon. gentleman now. Well, my hon. friend took exception to the statement of the hon. leader of the opposition when he said it would have

been better for the government to have raised the tariff before entering on negotiations, and said that was a principle of questionable soundness. I have no fault to find with my hon. friend's opinion, I think he gave that opinion honestly, but what has occurred? I want to draw the hon. member's attention to this fact. On looking up the British Board of Trade Journal of January 8, I find this statement:

> The Board of Trade have received, through the Foreign Office copy of the government bill—

Meaning a government bill in France.

> —to modify the French customs tariff duties on some three hundred articles.

And the paper goes on to say:

> The explanatory memorandum to the bill, after referring to the general tariff revision now in hand, describes the nature and purpose of the present proposal, which is not intended to replace or delay the normal tariff revision, but is necessary to enable France properly to negotiate the important commercial agreements now under consideration. The bill therefore proposes to increase tariff duties affecting French industries which owing to the burden resulting from the war, cannot face unlimited foreign competition with the present duties.

In other words, Mr. Speaker, what was a matter of questionable soundness for us to do has already been done by France right in our face, and we stand to-day with several hundred articles on which the minimum tariff is to be raised, and what chance have we to do business with them if the minimum tariff is raised, when we cannot do business now under the present tariff? Let me give the House some examples from this, so as to see what it means:

> The duty on blankets and camel hair belting is to be increased by over 100 per cent, and wool, etc., astrakans, plushes, sealskins, etc., would pay from 11 to 22 francs per kilog, instead of 8.82 francs per kilog as at present. The duties on elastic and rubbered clothing would be increased by from 50 to 100 per cent; and on felt hats by from 50 to 200 per cent. The duties on the thinner varieties of oilcloth and linoleum would be increased by 25 to 60 per cent, and other waxcloths would also pay heavier duties.
>
> As regards hardware, the proposed duties on locks, keys and nails are some 30 per cent higher than the present duties; those on saws, files and rasps some 200 per cent higher; and those on other tools, needles and certain cutlery about 100 per cent higher.

And so on through the list. There is no use taking up any more of the time of the House with this matter. The principle is there. Canadians as a matter of fact, have to learn to look after themselves, irrespective of the matter of questionable soundness. This may be all right for France, but it is not a good thing for us. This is the first real big joker in the treaty, and there are a lot of them. I am going to detain the House long enough to give hon. members some more of the jokers in this treaty.

Now, I wish to say a word or two as to the imports. As I said in my opening remarks on this question, the imports have increased from practically ten million dollars in 1923, for the ten months, to fifteen million dollars in these ten months. We have reduced our duty to France on a great many articles so that she could sell to this country. My hon. friends to my left will say, "Oh well, the people got a reduction in the tariff. It makes no difference as long as the people get the reduction in the tariff." On what articles was the tariff reduced? Let me give the House a rough list of them. They are:

> Brandy, champagne, wine, silks, satins, velveteens, laces, silk blouses, silk fabrics, silk clothing, gloves, toilet preparations, soaps, perfumery, statutes, china, jewelry, precious stones, ribbons, embroideries, artificial feathers, and flowers, curtains and shams portfolios, purses and pocketbooks.

No doubt, these purses are for the purpose of keeping some of the savings in taxes that the Acting Minister of Finance is giving back to the people. What did we lose? We reduced our duty to many people who could well afford to pay. If you are ever going to get taxes, you have to get them out of the people who can afford to buy luxuries. This is a rich man's treaty—never intended for the poor man at all. Let me give the House a few instances. I will tell hon. members how I figure the duty, because the Minister of Justice (Mr. Lapointe) with that even handed way of treating things, will tell you that I have not figured it properly, and if I tell hon. members how I figure it there will be no misunderstanding. First of all, I have taken the duties as they actually are. I prepared the figures actually paid for the ten months on the articles I have mentioned, and I had the customs house of Canada guarantee they are correct. I have contrasted with those figures the duties that would have been collected under the general tariff if we had no treaty. On that basis, we lose on champagne $80,000 in taxes.

Mr. ARCHAMBAULT: From Ontario?

Mr. CHAPLIN: I am not discussing Ontario matters; these are Dominion matters, and for the information of the hon. gentleman who asked the question, I say that we are discussing the budget. We are discussing the budget from the standpoint of the poor people of this country, the people who need to have taxes lifted from their shoulders, and are not discussing those people who are

consuming these goods. The losses are as follows:

Brandy	$142,000
Non-sparkling wines	108,000
Velvets, velveteens and plushes	65,000
Silk fabrics	104,000
Ribbons	31,000
Silk clothing	44,000
Gloves and mitts	37,000
Perfumery and toilet preparations	18,000
Tableware of china	10,000
Medicinal and Pharmaceutical preparations	11,000
Castile soap	7,000
Jewelry	5,000

What happened further was this: that under the terms of this treaty Japan and Switzerland did not hesitate to take advantage of it. France put her goods in at the same rate, and the people lost so much money in taxes, and those taxes that should have come out of the people who could afford to pay them have to be laid on others who probably cannot afford to pay them. I have not the figures for all the articles. If an item did not realize at least $1,000 I did not worry about it; it was not of any moment, so far as my argument was concerned. From France alone, on the goods we imported, we made a loss for the ten months of $991,000; from Switzerland we made a loss of $310,000; from Japan, $232,000; and from Norway $30,000. These figures are for ten months. When these gentlemen went over there to make this treaty they allowed French non-sparkling wines to come into Canada at fifteen cents a gallon. At the very time they did this the home producer of wine was paying thirty cents excise duty. And they allowed the competitor's goods to come in at fifteen cents. Consequently when the matter was called to their attention they had to adjust it; with this result, that, instead of charging the home producer of wine thirty cents, they had to reduce the tax to seven and a half cents in order to place the home producer on an equality. I say that anybody at home who can afford to buy an article like wine can afford to pay a tax, and the tax of thirty cents was reasonable and just. But owing to the treaty this tax had to be reduced, and we lost on that operation on that article the sum of $129,000. The total loss was $1,695,000 for the ten months which I have mentioned. If you add two months more on the same basis, it means a loss in revenue of over two million dollars.

Besides the one big joker in this treaty to which I have referred, there are some others. I have not time to refer to half of them here, but I will give the House a few just for the edification of hon. members. Take the item of gloves and mitts. We reduced our tariff and France gave us her new tariff on gloves and mitts to France to the minimum tariff, but the minimum tariff is so high that we did not ship any, while France shipped us $383,000 worth. We lost in duty over what we had sold to them before, $37,000.

As regards tableware of china, we reduced our duty to France, and France very accommodatingly reduced her duty to us. Just imagine reducing the duty for us to ship tableware of china into France! The result was that France sold us all the china, we did not sell her any; and we lost in revenue $11,000. The poor working man in this country saved $11,000 on his china. As regards perfumery and toilet preparations, we lost in revenue $18,000. We gave France fixed rates of duty and we could not change the duty to-morrow if we wanted to do so.

Let me give the House an idea of what comes into this country in the way of non-sparkling wines. In ten months of 1923 there were imported 56,000 gallons and, in 1924-5, 134,000 gallons. We lost in revenue on this item over $100,000. This is supposed to be a temperance country. The hon. member for Chambly and Vercheres (Mr. Archambault) asked: Was it in Ontario where this wine was used? Before he goes out I should like to give him the figures in regard to the item of brandy. I do not think it was in Ontario, but I will give him the result. In 1923 we imported 43,000 gallons, and in ten months of 1924-5 we imported 146,000 gallons. That is pretty good for a temperance country. Our loss in revenue on that item alone was $142,000.

Let us take the item of canned fruits and canned vegetables on which we gave France fixed rates of duties. We had a loss of revenue. We sold no fruits but we sold them $800 worth of canned vegetables. Just imagine! We sold France $800 worth of canned vegetables! In 1920, we sold France $1,000,000 of canned fruits and in 1924-5 we sold nothing. Why? Simply because the Minister of Finance (Mr. Fielding) and the then Minister of Marine and Fisheries, the present Minister of Justice (Mr. Lapointe) went to France and made a treaty with her by which France had fixed rates of duties on importations into Canada of canned fruits, and the duties that we have to pay on our importations into France are higher than those she has to pay on importations into Canada. That is another joker in the treaty.

On cutlery and jewellery we lost in revenue $8,000. The Minister of Justice in his address last year told us that he was going to sell

butter to France. He reduced the duty on fresh butter so that our butter would get in. This is what he said:

> We have not negotiated a treaty for the Pilgrim Fathers or for the farmers that came with Cartier or Champlain, we have negotiated a treaty for the farmers of the present.

Let me tell the Minister of Justice that the Pilgrim Fathers and the farmers that came with Cartier or Champlain shipped as much butter to France last year, as the present farmers did. Dead as they are, they shipped not a pound, and neither did the living farmers.

A few years ago we shipped condensed milk to France. In 1922, for instance, we shipped $568,000 worth. The duty was increased by fifty per cent, and last year we sold France $7,000 worth. That is another joker. The Acting Minister of Finance (Mr. Robb) whom I saw here a minute ago, made a prediction in 1923. He said:

> Canada will export boots and shoes to France.

I have looked up the records and I find that no leather boots and shoes went to France, although a few rubbers went. I suppose we shall have another shot about bronze powder from him too. Last year the story was: "Oh, well, we did not make the records." A lot of bronze powder was exported from this country. The minister produced a telegram from a manufacturer stating that they exported a lot of bronze powder. When I said to the minister: "This does not appear in the export records," he said: "We did not prepare those records; you prepared them." I have examined the records for the last four years and there are no exports of bronze powder. The minister should communicate with the manufacturers and find out where this stuff has gone. It must have gone somewhere and we cannot find it.

Let me mention a few other articles that we used to send to France. In 1920, we shipped $275,000 worth of dried apples; now this trade is gone. In 1922, we sold France $455,000 worth of oats; in 1925, there is no trade—nothing doing.

I cannot pass over this list of luxuries without reading an extract from a speech made by the hon. member for Brantford (Mr. Raymond). We all know that very delightful gentleman. We all have heard from him of the distress that exists in Brantford, and now that we look back on the matter, we come to the conclusion that the people of Brantford have not gone away because of lack of work. I will let hon. members conclude what the reason is when I read his speech. He said:

> In the part of the country that I came from, I beg to say that brandy and champagne are not luxuries, nor, Sir, is sparkling burgundy any luxury. On the contrary, these things are classed with blue pills, calomel and salts.

We had heard that its industries were languishing and its population was scattered, but we are glad to know that its necessities are well looked after. I am afraid that these gentlemen who are out of work in Brantford, instead of having gone away to other localities to look for work, have gone to California or to Florida, and may come back, who knows, in their luxurious motor cars, wearing the luxuries of which I have spoken . I regr t having taken up so much of the time of the House and I hope I have not tired hon. members too much.

Mr. MEIGHEN: What about that long list of drugs which appears in the treaty? Did we sell any of them?

Mr. CHAPLIN: Answering the question of the leader of the opposition, I beg to say that of all those padded sheets of drugs, several pages, containing some 150 articles, I think there is one on the list of exports, and others that we exported before, now disappear from the list.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Speaker, the budget is one of the time-honoured institutions of this parliament. It affords an opportunity, not only of discussing the financial affairs of the country for and against the ministry's view of these matters, but further of ventilating grievances and especially of discussing problems which members would not get as good an opportunity of discussing later on in the session. I have to congratulate the official opposition upon their mathematical attainments while discussing this particular budget. They started off with a surplus of nearly two millions and by the time this had passed through various hands it had mounted considerably. First, some hon. gentlemen added gently to it making it five or six millions and then later on it was augmented very materially. I cannot recall just now the particular gentlemen who added to it but I remember that the hon member for Vancouver Centre (Mr. Stevens) and the hon. member for Fort William and Rainy River (Mr. Manion) as well as the hon. member for West York (Sir Henry Drayton) all had a hand in it. All these hon. gentlemen gave it the once-over, so to speak, and each time they made it a little more imposing until finally, when the hon. and genial member for Nanaimo (Mr. Dickie) had got through with it, it assumed the formidable proportions of $100,000,000.

Mr. MEIGHEN: That statement was made in the very first speech in the debate from this side of the House.

Mr. MOTHERWELL: I did not know that, but at all events some hon. gentlemen evidently receded from that bold position at first although ultimately they took it up again. And I am afraid that had it not been for the approach of the Easter season, which sometimes has a disciplinary effect on mortals, that $100,000,000 would before long have increased to several hundred millions. Heaven only knows now what it may be after Easter.

I shall now refer to some of the remarks made by the hon. member for Vancouver Centre and the hon. member for Fort William and Rainy River. Exception has been taken by these gentlemen to what they call extravagance on the part of the government, but it will be noted that very few individual items are cited; we have nothing but generalities. The government is brought under one wholesale charge of extravagance and it is said that so bad is this evil that taxation is mounting skyward. And how do hon. gentlemen opposite propose to bring down this mounting taxation? Why, they want to have more protection; high taxation is to be cured by higher taxation. And so these gentlemen go on proposing their nostrums indefinitely. But the only particular item to which the hon. member for Fort William and Rainy River objected, so far as I could notice, was the alleged extravagance in connection with commissions of investigation, one or two of which he mentioned. The hon. member referred for example to the grain inquiry. Now what is the history of that? It is merely a continuation of an inquiry that was started by the preceding government of which the hon. gentleman himself was for a short time a member. That investigating body created at that time perambulated the whole country,

5 p.m.

creating a good deal of consternation because of their crude methods; and things had reached such a pitch that an injunction was sought against their further inquiries. And between these injunctions and their waiting and hovering around, and the fact that the whole country at that time was upset over the prospects of an election, coupled with the further fact that their revenues had been exhausted, they simply hung on until by December 6 they and the government went out together. We had to do something in the matter; and, as will be recalled, the next year the hon. member for Qu'Appelle (Mr. Millar) voiced the opinion that the inquiry should be resumed; that was what he urged. So that we find one wing of the opposition, the official section, the year before starting an inquiry but achieving nothing, not even a report being presented, followed by another wing of the opposition, the unofficial section, recommending later to this government, through a resolution offered by one of its members and accepted, that the government take up the matter again and proceed with the investigation. And that has been done. Well, where is the extravagance in that? Have we not got value thus far? We have a report upon the subject and a bill will be introduced after the Easter holidays. But there was absolutely nothing to show as a result of the first inquiry started by the government of which the hon. member for Fort William and Rainy River was a member for a very short time. If this is the only extravagance to which hon. gentlemen can point it is surely a very minor one. But it has not been proved that even here there has been any extravagance, because after all, in view of the importance of the subject, the expenditure that has been involved is very small.

Mr. FORKE: I want to object to one expression the hon. member has used which I will not let pass: he referred to us in this part of the chamber as the "unofficial opposition." We are not an opposition.

Mr. MOTHERWELL: I do not know what the proper term should be. Hon. gentlemen say they are not a party and now the hon. gentleman says they are not an unofficial opposition. I suppose they are just neutral; maybe that word would do.

Mr. FORKE: Probably that would do.

Mr. MOTHERWELL: Yes, a neutral party ready to condone or condemn as the circumstances warrant.

Mr. FORKE: Complete the sentence.

Mr. MOTHERWELL: That is the complete sentence—a neutral party ready to condone or condemn as the circumstances warrant.

Mr. FORKE: Or to praise if necessary.

Mr. MOTHERWELL: Well, condone would be equivalent to that.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: We will accept that word praise too; I am ready to add that to the qualification. Now, to proceed. That was the extent of the extravagance with which the government was charged by the hon. member for Fort William and Rainy River. It will be remembered also that when the estimates of the Minister of Public

Works (Mr. King, Kootenay) were going through the House the hon. member for Vancouver Centre at one stage discussed the question of over-manning in the civil service, denouncing all and sundry. I do not think he said that the civil servants were paid too much but he did say that there were too many civil servants; he gave us that old chestnut—too much overlapping in the civil service. Well, I would take it as a friendly act on the part of the hon. member for Vancouver Centre or of any other hon. gentleman in this House if he would be good enough to point out where, among the 1,200 civil servants in the Department of Agriculture, the services of any one could be dispensed with without sacrificing in some measure the interests of the public service. If the hon. member for Victoria City (Mr. Tolmie) were in his place I would ask him, as one who is familiar with the work of the department, to point out where I could dispense with one man without some sacrifice. On the contrary, I know where I could engage a good many more men profitably. The hon. member for Vancouver Centre has himself pointed out on several occasions the disabilities arising in his constituency in connection with the shipment of certain goods packed in straw; and ultimately I believe we shall have to appoint a few more men at that point to take care of that situation. We do not want to do this if it is at all avoidable, but this is one answer to the charge of overlapping in the service. And this same thing is true all along the line; in a dozen directions, instead of there being too many public servants there are too few, to the detriment of the public interest. But the public do not think that; they hear a clamour from one side of the chamber to the other declaiming against the multitude of civil servants, all this talk often reflecting unwarrantably on the ability of these people. I leave the invitation open to any hon. gentleman in the House to show where any services can be dispensed with or economies effected in the votes presented to the House for the department. I speak more particularly for my own department because I am more familiar with it; but there is no member of this government who is not ready to give the same invitation and who would not be met with the same silence. So much for that. There are more remarks in this connection but I shall reserve them for more convenient seasons.

The hon. member for Fort William and Rainy River did take up the other day a question that required some explanation. He gave a part of the information practically correct, and that was as to the imports of a large number of agricultural commodities, which he said should have been grown in Canada; and for some reason or other he suggested that someone was to blame, the government presumably. I shall refer to the list, and I shall mention not only imports but exports as well, for unless you have the two you will not understand the situation in regard to the imports. I shall interject an explanation here and there as I go along. In the year ending March 31, 1924, we imported of butter, in round figures, 1,500,000 pounds and exported 13,000,000 pounds. This year we exported 20,000,000 pounds; the importations are decreasing while the exports are increasing. Of cheese we imported 1,500,000 pounds and exported 116,000,000 pounds. This is nearly all fancy cheese, made in Italy, Switzerland, and elsewhere, which we do not produce in Canada.

Of eggs, the number of dozens imported was 6,500,000 in round numbers, while the export was 2,890,000. This situation is improving yearly. The year before, the imports were 8,000,000 and the exports some 3,000,000. In addition to that, owing to the improved quality of our eggs the consumption in Canada has increased during the last four or five years from sixteen dozen per annum per capita to twenty-six dozen per capita, an increase of about 60 per cent. That is because the eggs are better. So that the exports and imports of this commodity do not at all show the production.

Mr. MARCIL (Bonaventure): Is the grading of eggs in country districts under the minister's department?

Mr. MOTHERWELL: Yes.

Mr. MARCIL (Bonaventure): The provincial governments have nothing to do with it?

Mr. MOTHERWELL: No, not now; they did a few years ago. There were a number of provincial methods of dealing with it, starting I think with Prince Edward Island about twelve years ago and then being taken up by the western provinces. On account of the expert character of the work it was thought wise to make it uniform and have the whole thing come under the federal Department of Agriculture. At another time when this matter is up I will perhaps make a fuller explanation.

Of fruits, $18,000,000 worth were imported in the year to which I refer, and nearly $9,000,000 worth were exported. Fruits are a very healthful commodity. A great many

of them come in free and are available at times when our own fruit is not available. But it will be noted that to offset the large amount of imports we have nearly $9,000,000 of exports.

The question of hides has been the subject of much discussion. The hon. member for Brandon (Mr. Forke) and one or two other Progressives drew attention to the comparatively small price of our hides and the large import. In the particular year to which I refer 46,000,000 pounds of hides were imported, chiefly from the United States, Argentine and New Zealand, and against that, 49,000,000 pounds were exported. Apparently the users of hides, the boot and shoe makers, buy foreign hides because of the greater uniformity in the article; it suits their trade better. Every farmer in this chamber is familiar with the irregularity of the quality of a great many of the country-killed hides, especially in the winter. I do not know whether that is the reason why these are exported; I suppose it is because it is to the advantage of the sellers to export them and that the quality of the product is perhaps more suitable to the export trade.

Mr. BROWN: On the question of hides, has the minister gone into the imports or exports of tanned leather made from these hides that are imported?

Mr. MOTHERWELL: No.

Mr. BROWN: It would be found very interesting.

Mr. MOTHERWELL: I took just the list that the hon. member for Fort William and Rainy River (Mr. Manion) dealt with; I did not go into that. I have no doubt that there is a very much longer and more interesting story with regard to this whole question than I am prepared to give in the time that is at my disposal now.

Of lard we imported 12,000,000, pounds and exported 8,000,000 pounds. Ever since the Canadian swine industry has been developed along the line of what we call the bacon type there has been a lessened production of lard. The fatter the animal is; the more it comes under the classification of "thick smooth," the less lard you will get from it, so that we need not be surprised if our lard importations increase as we develop the bacon type of hog for the British market. You cannot get it both ways; you cannot have a lean bacon type such as the foreign markets demand, and a fat animal at the same time. This is a good sign, because it is better to produce bacon than it is to produce lard. Anybody can produce lard, but anybody cannot produce bacon.

Of bacon and hams, 6,000,000 pounds were imported and 99,000,000 pounds exported. There is a demand for the fat ham and the thicker bacon in certain markets throughout Canada, and that is imported because it is cheaper, while the other is exported because it caters to the more fastidious taste of the British market, which is prepared to pay the money for the good quality. That accounts for the difference between the import and the export.

Of fresh pork we imported 22,000,000 pounds and exported 1,000,000 pounds. This import, my information is, is to keep our abattoirs running during a shortage of live hogs on the Canadian market. They find it pays them better to import green pork from the United States, and thus keep the curing facilities going at the abattoir, than to close their packing plants; so that they make this import of green pork and then export the product. The pork is held in bond during the curing process.

Of pork in brine, we imported 9,000,000 pounds and exported only 430,000 pounds. This is the real, old-fashioned three or four inch thick stuff we used to see many years ago in the shanties. There was an idea that the shanty-men had lost their taste for this heavy meat and were demanding the tender cuts just like other people, but apparently there is still a considerable demand for it—so much so that we have not the supply to meet it and consequently we have had to import 9,000,000 pounds.

Of seed we imported nealy $4,000,000 worth and exported over $8,500,000 worth—over twice as much, so that the situation there is quite satisfactory. The seeds that we import are largely those that do not grow in Canada.

Mr. WARNER: May I ask a question? Is it not a fact that many of our heavy hogs that make the kind of pork referred to are shipped to the United States instead of being used here in Canada? I know of one firm in Wetaskiwin, not far from Edmonton, that claimed to have made $6,000 by shipping just that kind of hog to the United States and then importing the finished product.

Mr. MOTHERWELL: That is quite possible. In more than one case Canadian butter and eggs have been shipped to the British market, and in a month or two have been shipped back to Canada. It is a case of overshipment to the British market, and before the new, fresh, winter eggs come in they find it commercially possible and feasible to

have them shipped back again. This frequently happens.

The matter of vegetables is frequently discussed by many, particularly our Conservative friends. I want to say quite frankly I have some sympathy with them on the question of vegetables, but when you know the record, it does not look so bad. We imported $3,900,000, nearly $4,000,000 worth of vegetables, and we exported almost the same, $3,700,000, or a difference of $200,000, so it very nearly balances.

Take raw wool. That looks like a reflection on our disposition to diversify and take advantage of all the opportunities on our farms. We imported 19,000,000 pounds, and we exported only 6,000,000 pounds. I think that is easy to explain. These are largely merino wools, the finer wools of Australia that our Canadian woollen factories desire in order to make the finer cloths. We have not the population to make use of all our own coarse wool, and our wool therefore goes to Boston and other United States points, where they have a large population and there is a large and varied demand for all qualities of wool. There is no reflection there such as was apparently desired to be thrown upon the agricultural development of Canada.

There are more of these things we can do. This last year the west alone has produced for export over 10,000,000 additional pounds of butter. The west will develop year by year until in a short time, inside of another ten or fifteen years, it will be exporting 100,000,000 pounds of creamery butter, judging by the rate they are going now. We are getting away from specialized farming, which is not a safety first system at all. Even eastern Canada can develop enormously along the lines of diversification. This old province of Ontario, with a little more attention to winter dairying and improving the quality of the cows, could in ten years double its butter output. We are just awakening to the fact that we have to pay more attention to all these things, and not buy any more than we can help of what we can grow profitably at home. You know quite a wave went over the country ten or fifteen years ago—Oh, it is not worth while bothering with these things. Let us do the things that our farm and the community are specially adapted for, let us specialize. There is a lot to be said for specialization, but when you are specializing in a particularly precarious article, subject to climatic conditions, where do you stand if this specialty, due to climatic conditions or other reasons, falls down? You have nothing left. We are entering an era when people want to play safe. Why do we see such a tremendous development in our insurance business? People who were insured for $10,000 yesterday want $20,000 insurance to-day; people who were not insured at all yesterday are seeking insurance to-day. They want something that is safe. They do not want to make a big profit out of something, but simply to play safe. That is the result of the discipline we got in the debauch of the war period and for a year or two afterwards, and it is a good sign. We are also playing safe in agriculture by diversifying our farming, and it is a good sign; it is something to congratulate ourselves upon, rather than a reflection upon agriculture, because we find it convenient sometimes to export and sometimes to import. So much for that question.

I have been criticizing the official opposition for a short time—I usually do. I take far more delight in criticizing my regular traditional opponents, whose steel I always respect but whom I like, and I shall like them much better if we keep them just where they are, which it is our business to do. But just now I am under the necessity of criticizing my very good friend from Springfield (Mr. Hoey). I do not think enough attention is paid to him in this House. He is one of the most capable of the front benchers among our Progressive friends. Whenever he speaks he gives us a treat. Anybody, whether he is a literary man or not, who likes a well rounded speech, faultless rhetoric, beautiful sentences uttered in that rich Irish voice, which cannot be beat, cannot but be charmed by the hon. member for Springfield. I am not saying that for the purpose of paving the way for something terrible. I just wanted to point out that while his speech had all these beauties, it had also this danger, that it was misunderstood, I think, by some members of the House, and will be misunderstood by the country. There was not the point to it that seemed to lie on the surface. Take the eulogy, for instance, my hon. friend gave of Mr. Jones as a business man. It was deserving of Mr. Jones as a business man, but I am afraid Mr. Jones has been too much of a business man for my hon. friend. He was pretty nearly so for myself. I had the pleasure of being invited to the Country Club one night, on an occasion when the honoured guest was Mr. Jones, the manager of the Cement Company, the institution that we have heard so much about, and whose profits a great many Progressives, particularly the hon. member for Saskatoon (Mr. Evans), have complained so much about. I listened to Mr. Jones describing this uniform,

flat rate budget he was going to impose on the country, and unlike this formal occasion, his address was given informally around a table, after the dinner had been done full justice to, and then afterwards we were privileged to sit in committee of the whole, as it were, and ask questions, and after we started asking questions and began to find out what this flat rate budget meant, I was amazed. This flat rate budget was going to raise not only $130,000,000 that the present budget provides for, but $120,000,000 more, making in all $250,000,000, to be raised by a tariff applied on a flat rate basis to everything that comes into Canada—nothing coming in free at all, but just a flat uniform tariff on everything. I think the hon. member for Springfield quite understood that, because he drew particular attention to it. Not only that, but when my colleague the Acting Minister of Finance (Mr. Robb) mentioned it and asked the hon. member for Springfield if he was in favour of this "Jones" policy—shall I call it, just as we speak of the Dawes plan—the hon. member for Springfield started out to say that when the government declared just what their position was in regard to the Jones policy he would be ready to declare his. I did not know that hon. members expected the government to declare itself on the Jones plan. Maybe they had heard of this dinner at the Country Club and expected we were going to take over the Jones plan as part of our policy. But my hon. friend from Springfield did not stop there. He said:

I will state now without hesitation or equivocation—

Like a real Irishman he is afraid of nothing, he goes right to it:

—that Mr. Jones' policy would mean an immeasurably better tariff than we have at the present time.

That means a tariff whose good qualities cannot be measured as compared with ours; the Jones tariff was the best tariff the hon. member had in sight, immeasurably better than the present budget. Let us examine what the unequivocal statement means. It was also pointed out that the Jones plan would produce $250,000,000 of revenue, based on an importation of $800,000,000 worth of goods. Now anybody can take out his pencil and check up. The Jones flat rate tariff was to be levied on $800,000,000 worth of goods, and was to produce $250,000,000 of revenue. Divide $250,000,000 by $800,000,000, and you will find you get a uniform flat rate duty of thirty-one and a fraction per cent. No wonder the cement merger would like that arrangement. This man, Mr. Jones, is not as easy as he looks; he gets, as near as I can figure out, not quite ten per cent protection on cement. I did not know that at the time. I innocently sat at the feet of Mr. Jones learning the new national policy. Now we are having another policy proposed which is intended to replace the old one. Well, 31 per cent was to be levied on everything on the free list and Mr. Jones says that two-fifths of the goods we need are imported free. Take binder twine. I would not care to go into the constituency of Springfield and advocate a duty of 31 per cent on binder twine; but apparently the hon. member for that constituency (Mr. Hoey) is prepared for such a policy in order that he may "keep up with the Joneses." I cannot understand that. I am in doubt as to whether the hon. gentleman understood what that policy involved. You will recall, Mr. Speaker, that when my colleague asked the hon. member for Springfield whether he was speaking for the Progressive party he promptly said: "No, I am speaking for myself"; he was searching about for some betterment because he said "that the truth did sometimes come out of Nazareth," meaning in this instance, Montreal. So the rest of the Progressive party are in no way responsible for these statements and I am glad of that; I am sorry ever to have to criticize one of them. Here is a list of articles free of duty which I have prepared; they are comprised in part of the first half of the alphabet, from a to m:

Animals for improvement of stock—ewes and lambs for breeding purposes.

Everybody knows that these animals come in free. The commoner stock does not come in free; it is now proposed to subject the pure bred stock to a duty of 31 per cent in the interest of the live stock industry of Canada.

Animal manures.

One of my hon. friends from a constituency near Montreal is always talking about the heinousness of allowing our barnyard fertilizers to go to the United States, and here is a proposition to apply a 31 per cent tariff to manures.

Antitoxin.

Think of the advantages now enjoyed by human beings. This is one of the greatest boons open to mankind and yet my genial hearted Irish friend wishes to tax it 31 per cent.

Apparel wearing, settlers'.

Like my hon. friend I am an immigrant only I moved from eastern Canada to the west; my hon. friend crossed the Atlantic to Canada. Our apparel now comes in free but my hon. friend would make it subject to a duty of 31 per cent.

Apparatus for boring and drilling for water, gas oil or minerals of a class or kind not made in Canada—

And so forth. This is now free, but my hon. friend would have it subject to a duty of 31 per cent.

Apparatus, and glass ware for laboratory work and sterilizing purposes for hospitals.

I never was in a hospital until I was forty-five years of age. I had thought it was a disgrace for a man or woman to be found in such an institution. Now, I think it is one of the greatest humanitarian agencies in existence, possibly outside of the Christian church. All these things are to be taxed although formerly they were free. "Keeping up with the Joneses" is a terrible game to play.

Artificial limbs and parts thereof.

Hon. gentlemen will remember last year when the public gallery of this chamber was full of members of the Amputation Association. We also heard them as on wooden legs they stumped down the corridors keeping time with military precision. All these limbs now come in free but under my hon. friend's plan they would meet a duty of 31 per cent.

Artificial teeth not mounted.

What is a man to do when he gets old and loses his molars and grinders? I am approaching that age. But my hon. friend wants to charge me 31 per cent. I shall either have to "gum" my food or pay 31 per cent.

Asbestos roofing cement.

A very necessary article in building operations in a new district. It will have to pay 31 per cent under my hon. friend's plan.

Augurs, coal mining machinery.

Where are my hon. friends from the Maritime provinces who are so greatly interested in the question of coal? Where are those hon. members who are so constant in urging that the cost of the implements of production be kept down? Here is a proposition to jack up the cost by 31 per cent.

Barbed fencing wire
Binder twine.

I remember how in the good old Liberal days of Sir Wilfrid Laurier we made the welkin ring when we got binder twine and barbed wire on the free list. Our modern reformer, however, wants to place these under a duty of 31 per cent. I am going to exonerate my hon. friend from the responsibility for this; I think he must have been teetotally mesmerized. I sympathize with him because I was almost lured into the same boat. However, I went further into a study of the figures; I am Scotch and blest with a saving streak which my hon. friend has not got.

Mr. SPEAKMAN: Does the hon. minister remember at the time the hon. member for Springfield (Mr. Hoey) made the comparison between the Jones plan and the present budget it was before the latest amendment to the dumping act had been brought down?

Mr. MOTHERWELL: Oh, no, it was not, and anyhow the dumping act has nothing to do with this particular question; it is a matter which stands by itself.

Boards, sawn etc., dressed on one side only, sawn, or split only.

Books, namely books on the application of science to industries of all kinds, including books on agriculture, horticulture, forestry and so on.

When people want to know a little more about agriculture, horticulture and forestry and wish to import works on these subjects from any part of the globe they will not be free to do so without paying a duty of 31 per cent.

Bowls for cream separators, steel.
Cream separators.

That was another thing good Sir Wilfrid got for us, but my hon. friend is seeking to put it back at 31 per cent.

Coals, briquettes, anthracite, cutting machines, except percussion coal cutters.

How will the Minister of the Interior (Mr. Stewart) be able to carry out his briquetting proposition when my Progressive friend from Springfield gets a duty of 31 per cent placed on anthracite?

Mr. HOEY: The minister is talking about 31 per cent duty. Who is advocating that?

Mr. MOTHERWELL: Well, that is the Jones' plan.

Mr. HOEY: I defy the minister to quote any such thing from Mr. Jones' statement.

Mr. MOTHERWELL: I will have to quote the figures again.

Mr. HOEY: I defy you to quote any such thing from Mr. Jones' statement.

Mr. MOTHERWELL: I am just brushing aside the rhetorical phrases and letting the statement stand out in bold, naked outline. My hon. friend from Springfield in his speech a few days ago declared:

But I will state now without hesitation or equivocation that Mr. Jones' policy would mean an immeasurably better tariff than we have at the present time.

Mr. HOEY: Hear, hear.

Mr. MOTHERWELL: That is what my hon. friend himself said. Now I will quote what Mr. Jones said:

From a revenue standpoint our tariff is a complete failure. I am not going into details, but our importations into Canada, in round figures, are a billion dollars per year. In 1921 our imports reached $1,240,000,000, in 1922 they dropped to $774,000,000, in 1923 they were $802,000,000, so that they are now on the up grade.

Then my hon. friend from Springfield makes this comment:

Mr. Jones goes on to advocate what he calls a uniform tariff not only on manufactured goods entering the country, but on raw material as well, which revision he claims would bring an added amount of revenue into treasury of approximately $120,000,000.

And my hon. friend says that such a tariff would be immeasurably better than ours. He does not say what his plan is, but he accepts that as the best he can think of. It is the production of one of the super-men who is summoned to our aid.

Mr. HOEY: Will the minister tell us where Mr. Jones advocated a 31 per cent tariff.

Mr. MOTHERWELL: He did not go that far. That is why he pretty nearly caught some people.

Mr. HOEY: Hear, hear.

Mr. MOTHERWELL: No, he did not go that far. His estimate, as far as I can recall it, was about 25 per cent. He did not figure it out minutely apparently, nor did I. But I take this document and this is what I am going by now. I assume they were all in a proper frame of mind at the dinner referred to, but it is safer to take the actual document.

Mr. HOEY: The minister refers to a dinner. The speech I quoted was given before the students of McGill University.

Mr. MOTHERWELL: That does not make any difference.

Mr. HOEY: There was no dinner.

Mr. MOTHERWELL: It makes no difference. I say I had the pleasure of hearing Mr. Jones at the dinner mentioned at the Country Club. If he did not quote it properly at the university, I may say it is almost item by item the same speech I heard. It must be a favourite speech of his. No, that explanation will not go. Then we have coal, heading machines and we have crutches and specially constructed staffs for the cripples. I won my first election on crutches, and I have great sympathy for those who have to use them. I got my leg broken in the campaign and I did not wish to stand. It was the best vote-getter I ever had. Then we have:

Furnaces blast for copper or nickel.
Hemp seed for agricultural purposes.

I remember when we were making strenuous efforts to establish a hemp factory in Winnipeg, my hon. friend (Mr. Hoey) could not see his way to support it, but actually spoke against it. Now he does not want the seed to come in free. What are we to do? I thought we had a real, genuine Cobden talk from the hon. member for Brome (Mr. McMaster). Sometimes we fail to be able to follow his speech in its entirety, but we have to respect the old teachings. The teachings of our forefathers were great, but when you apply them in all their logical details they are a terror. Now if hon. members have any tears, prepare to shed them now.

Hymn books and Bibles.

These are on the free list. It is now proposed to make the duty on them 31 per cent. Cut that in two and make it fifteen if you will. The hon. member who has so creditably filled the pulpit for so many years cannot be accused of wanting to make the way to the celestial city more difficult. I think we will retire to-night with free Bibles and free hymn books, and if the Jones plan were to be followed we would wake up to-morrow with a taxation. Maybe we would think more of them if we did not get them so easily. Then the next item:

Machines, ditching (traction) (not being ploughs) adapted for tile drainage on farm.

That was another thing in Ontario that they wanted. They wished to get ditching machines, and you cannot get away from this. I have thought this out. Blood is thicker than water. I am always drawn to an Irishman, at the same time I like to have a little round out of him if he deserves it. And I think my hon. friend has been led away by this Jones plan. A flat rate would be a delightfully simple measure. I am sure the Acting Minister of Finance would not mind continuing his occupation if he could say, "Put it on a flat basis and we will be through with it." Hon. gentlemen will recall that when out in the west land was very cheap; a certain number of cents tax per acre was placed on it. The Minister of the Interior will recall that. It amounted to about five dollars on a quarter-section. It was very easy, but when land became valuable, and people insisted on land values being taxed, in order to have any uniformity in the taxes, we found it necessary to provide for an assessment. A flat rate would be delightfully simple. We would be able to tax all raw material, whether hemp, tobacco, cotton or anything else. This

is the scheme to be followed out under Mr. Jones' modern plan of taxation. You cannot get away from it. I wish somebody would help me get away from it.

Mr. EVANS: The Minister of Agriculture is giving the House a wrong impression altogether.

Mr. MOTHERWELL: Correct me if I am wrong. I will sit down for half an hour while you explain how I am wrong, and if I am wrong I will retract.

Mr. EVANS: The hon. minister is giving a wrong impression to the House. Mr. Jones' words were that eighty per cent of the imports are coming in now for the already privileged class. He is not speaking of a one hundred per cent tariff on one hundred per cent of the goods coming in, but on eighty per cent, which is already coming in to the privileged class.

Mr. MOTHERWELL: Does anybody understand that? There is something wrong somewhere. I cannot understand it at all. I have got the wrong scent, or else my hon. friend who has just asked a question is on the wrong track.

Mr. EVANS: Will my hon. friend read the words himself?

Mr. MOTHERWELL: I am in the middle of a speech. I do not say this defiantly, but here is a magnificent speech broadcasted all over western Canada, made by one of the most capable men in the House, and I say the statement should be corrected. The Acting Minister of Finance brought down the budget speech. It does not matter where the document came from. It is my duty to defend the budget. If it were my brother or my father it would be my duty to defend it, and consequently my hon. friend from Springfield will not misunderstand me. He has not a greater admirer in this House than myself. I have never made a practice of taking advantage of anybody in the House. I will give hon. gentlemen an opportunity to explain, and nobody would take advantage of my sitting down and saying I am through with my speech, because I am not. I have only got to "M" in the list, and that is only the middle of the alphabet. There are hundreds of articles on the free list. Suppose we go to an excess in the matter of charitableness and say Mr. Jones only meant it was to apply to $130,000,000 of revenue—that he only meant that the present amount of revenue was to be raised. That will be sixteen per cent, or about half. If you like we will take it that way. But I do not see

that we could do that, because the hon. member for Springfield adopted the statement right off the bat. Now what about the articles in the tariff that caused my good friends from Brantford (Mr. Raymond), North Waterloo (Mr. Euler) and St. Lawrence-St. George (Mr. Marler) so much worry. Some of us had to sweat blood to get those duties reduced. Hon. members understand that when you get something by hard labour you do not let it slip away from your fingers. Here is a list of articles running from six per cent to ten per cent usually. That is pretty low. You cannot call that a protective tariff. Under the Jones plan that has to be raised to whichever you like now. If they only meant that we were to raise the $130,000,000 which we raise at present, and which they described as no revenue at all to come from the tariff we should have, that means sixteen per cent. If it is to be $250,000,000 it means thirty-one per cent, whichever you like. You pay your money and you take your choice. It makes no difference here. But here is the thing that hurts me more than anything else, because this was in my own time, and the Acting Minister of Finance understands the difficulty we had in getting some of these things. Then we have the item:

> Grain binders.

I can remember when they were pretty nearly thirty-one per cent. Then we have:

> Drills, mowing machines, cultivators, threshing machines.

I remember when the duty on threshing machines was 35 per cent. The duties on these are all less than 10 per cent now. Last year the Progressive party thought that the budget was not bad and they supported it, the only budget which they have supported in the last three years. The first two budgets they did not support, but they supported the budget last year, thus showing that as a party they confirmed it. But the hon. member for Springfield was not speaking for them; he made it quite plain that he was asking nobody to accept responsibility for his statement, and I want my hon. friends to understand that I am not asking them to accept responsibility for this because I am dealing with just the hon. member for Springfield now. These items are to be raised to a uniform tariff, after all the struggle, all the effort we went through to bring the duty down. This gentleman, Mr. Jones, is a business man, in the firm that produces the Beaverbrooks, and apparently you cannot produce them on a 9 per cent ad valorem duty. The duty is a specific one, but working it

out as an ad valorem duty, it comes to around 9 per cent. As I say, you cannot produce them apparently on a 9 per cent ad valorem duty and he would much prefer to have it 30 per cent. He has little dinners here and there and he unfolds a plan that, on the face of it, looks like a crackerjack, but which is meant to be something to make Beaverbrooks out of. That is the situation. I will sit down right now if the hon. member wants to question my statement, as I am not bluffing at all.

Mr. HOEY: Before the minister gets away from that, will he tell us what the rate of duty is on bituminous slack that he is supporting in the present budget? I think it works out a little over 50 per cent.

Mr. MOTHERWELL: It is a specific duty. I suppose some of them would come down, but look at the number that go up.

Mr. HOEY: Coal would come down anyway.

Mr. MOTHERWELL: We are not all manufacturers interested in bituminous slack.

Mr. HOEY: What about automobiles?

Mr. MOTHERWELL: There must be something on the other side of the ledger or the thing would certainly be a fierce frost. It is certainly a frost enough. I find another remarkable coincidence in regard to this matter. Three years ago when the Minister of the Interior was wrestling with his estimates on immigration hard and long into the night after five full days—and it was the morning of the sixth day before he got even one item through—I recall this fact because it is connected with cement—my good friend got up and advocated very ably that this government should introduce a scheme somewhat similar to the one which the old government introduced. He must have thought more of them than he does now. He wanted this government to adopt a housing plan for farm labourers in Canada, east or west or all over, similar to the housing plans of the cities which housing plans we were glad to drop. The buildings were to be made of concrete, indestructible, and worth $2,500 apiece. Labourers are certainly "some pumpkins" nowadays if you are going to build houses of that character for them on a farm when the farmer himself has a shack worth not a quarter of that amount. But we shall let that pass. Concrete is made out of broken stone, more or less coarse gravel and cement, but the greatest of all is cement. Keeping up with the Joneses! Keeping in with the Joneses, apparently! What a remarkable coincidence! I want to exonerate my hon. friend from anything associated with this at all. It is a purely extraordinary coincidence that he should advocate the construction of all these cement houses at a cost of $2,500 apiece, and then come down and advocate a tariff running up to 30 per cent. This Jones business is getting on my nerves. I am very fortunate I did not fall for it myself and I am just as sympathetic to my hon. friend because he fell for it. I think he was tempted. This is the explanation of the whole thing and it is easy. An Irishman is said never to be at a loss for an answer. A Scotchman, in this case the Acting Minister of Finance was one too many for the Irishman—sometimes they will get the better of them, but very seldom—and he up and asked the hon. member if he was in favour of this Jones proposition. The hon. member had to think quickly and he said: "When the government declared where they were." He knew that was absolutely no answer at all, but it gave him time to think, and in my opinion, he should have taken a little more time to think. I do not accept his answer without reservation, but he said: "It is immeasurably better than the plan we have." He cannot get away from that. He was desirous of keeping up his well known Irish characteristic of being always ready with an answer for the faith that was in him, but that time he failed, and that was all. He is one of the most honourable men in this House and a man to be admired, but that kind of devilment gets out and hurts the government, and I am one of the government.

That completes, Mr. Speaker, the first half of my remarks. Might I ask that half-time be called?

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILL

THE TORONTO HARBOUR COMMISSIONERS ACT AMENDMENT

Mr. T. L. CHURCH (North Toronto) moved the second reading of Bill No. 42, to amend The Toronto Harbour Commissioners Act, 1911.

He said: This is a private bill and it is introduced at the instance of the Toronto Harbour Commissioners who are rebuilding the port of Toronto. The commission comprises five members—three representatives appointed by the city and two by the federal

government. The bill seeks to amend the powers of the commission and I shall move, in accordance with a telegram I have received from the mayor and board of control of the city of Toronto, an amendment for this purpose. The telegram I have received reads:

April 6, 1925.

THOMAS L. CHURCH, M.P.,
House of Commons, Ottawa, Ont.

The city council this afternoon approved of amended bill as follows: The harbour commissioners shall have power to conduct on the lands of the commissioners at Sunnyside amusement recreation grounds and playgrounds or arrange with others to conduct said amusement recreation grounds and playgrounds under certain conditions as to compensation and management and also that the use of the said Sunnyside lands as amusement areas recreation grounds and playgrounds and the erection heretofore of buildings etc., on the said lands by or for the commissioners or the lessees or licensees of the commissioners etc., are by this bill confirmed and declared to be legal and valid.

W. A. LITTLEJOHN,
City Clerk.

The foregoing telegram has reference to the last clause of the bill (c), and in view of the agreement that has been reached between the city of Toronto through its council and the harbour commission I beg for leave to move an amendment to strike out clauses (a) and (b). The two parties concerned are the city and the harbour commission and at a joint meeting in Toronto last Thursday they decided upon an amendment which is offered as satisfactory to both sides namely, only to ask for clause (c) this session.

Mr. SPEAKER: If the hon. member will withhold his proposed amendment he can move it when the bill goes before the committee. It is customary at this stage, upon the adoption of the motion for second reading, to refer bills of this kind to the committee on Miscellaneous Private Bills.

Motion agreed to and bill read the second time.

THE BUDGET

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

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

Hon. W. R. MOTHERWELL (Minister of Agriculture): For some reason or other the country generally, including the press, seem to be of the opinion that we are on the eve of a general election. Speaking for myself

I do not see very many signs of an election, but the impression is there nevertheless. I can however discern some signs of an impending election in the fact that a great many of our friends in both opposing groups are apparently busy attending to their line fences. That is of course a quite legitimate business to engage in, and it may account for some of the speeches that are being made and the resolutions that are being proposed in this House. I am going to refer to one line fence indication now of a more pleasing nature. Our friends immediately opposite have been taking care recently of one line fence, in the amendment to the budget. I have not the amendment before me, but if I remember rightly it makes little if any reference whatever to the tariff; although our friends have been talking diligently of protection ever since the budget was introduced. It would seem therefore that they have two policies, one for the country outside, appearing in a manifesto issued through the press on January 4, a manifesto so-called, and distributed broadcast all over the country for outside consumption, and a second policy, more carefully worded in the amendment to the budget, apparently for the consumption of the House. I do not know what effect it is having on our Progressive friends, but even supposing that it avoids protection it evidently has no attraction for them.

I have here a clipping from the Montreal Star entitled:

Meighen demands tariff revision and commission. Broad policy of Conservative party outlined by leader. Save resources. Would make preferences conditional on use of Canadian ports.

Then is outlined a manifesto which I think I am justified in dealing with at this time inasmuch as it indicates, in some respects at least, far more plainly than does the amendment to the budget, the policy of the Conservative party. In this it is distinctly stated that the intention is to resurrect protection in all its various forms and ramifications. That is the centre of the whole manifesto; it aims to restore protection such as Sir John A. Macdonald preached and such as the leader of the opposition (Mr. Meighen) now advocates; it is going to restore and bring back to life that form of protection. Well, it reminds me of one of the sacred stories in Holy Writ in which the dry bones, strewn in the valley, will by the divine hand be restored to life. You will observe, Mr. Speaker, that it took the divine hand to do that. The bones were brought joint to joint and marrow to marrow, were clothed with muscle and flesh, and then covered over with skin and made to stand up and look like men.

Now my hon. friends are going to restore a number of obsolete things like protection. They are going to restore the old nostrum that they have been prescribing for the last twenty-five years; and a preference for preference is outlined here. Well, preference for preference means no British preference. And they are going to build up Canadian ports; that is another one. They are going to build up Canadian ports by shipping in goods under the British preference, although there will be none. Besides, they are two years late, even if they had that policy. The Minister of Finance adopted a policy two years ago whereby ten per cent addition was made to the British preference, but with the proviso that to obtain the advantage of it the goods must come in by Canadian ports. Under that policy 99⅛ per cent of the dutiable goods from Great Britain coming under the British preference come in by Canadian ports, leaving seven-eighths subject to the reforms of my hon. friends on the other side who are not in favour of a preference at all. Dry bones to be restored? Let us see some more, now.

My hon. friends are to have a tariff board, composed of what, Mr. Speaker? Composed of representatives of the manufacturers, of the farmers and of labour. Theoretically fine, but it really is surprising that a practical man like the right hon. leader of the opposition should be indulging in vagaries and fancies like this. Just imagine; we have been trying this for thirty years—I mean in a private way; many a time the proposal has been made in good faith, and acted upon, that the manufacturers and the farmers especially should get together and try to evolve a tariff that would be congenial and pleasant to both. It is utterly impossible, in my estimation; yet such is the personnel of the board that my right hon. friend would establish to look over the tariff, to revise the tariff, to make recommendations to the cabinet. Labour is to be represented, too; whether or not that will make it any easier I do not know. Well, you might as well take a dog and a cat, tie their tails together and hang them over the clothes line and expect harmony. I do not contend that the thing is impossible; I believe it would be a fine thing to aim at. But we have been aiming at it for a long while and we have failed. It is something like the shipping proposition; they have been aiming at a lot of things in the past and they have got us nowhere, and they want to keep on aiming at them. That is another dry bone that they want to restore, to endow with flesh and blood and sinew, and then to breathe into it the breath of life and make it stand up and look like something. Well, it cannot be done—not by the human hand at least, and no other hand is likely to intervene at this time for this particular purpose.

Mr. GOULD: I would like to ask the minister when the death occurred which accounts for these bones? I did not know there was any demise.

Mr. MOTHERWELL: They have been declining gradually; it is a case of slow but inevitable decay. Some few of them yet remain alive, hence the hope of life.

Mr. MEIGHEN: How about that duty on coal? Is it alive or dead?

Mr. MOTHERWELL: We will come to that after a while.

Mr. MEIGHEN: Take it now.

Mr. MOTHERWELL: That is the nicest morsel of all; I am leaving it until the last.

Mr. MEIGHEN: Do not forget it.

Mr. MOTHERWELL: When a little boy has a choice piece of bread with jam on it he always leaves it until the last. I hope my right hon. friend will not interrupt me like that. Now, here is the funny part of it: when you get these three parties represented on a congenial body of this kind, and protection is handed out under their auspices, then—will the Progressives listen to this?—if anyone takes unfair advantage of the protection given, this body will report the fact to my right hon. friend—that is, when my hon. friends opposite get into power, which is something I do not think we need be alarmed about to-night. But when they get into power this unfair advantage will be reported and the protection will be withdrawn. Why, you might as well set a man before a good meal and say that if he takes advantage of it the meal will be taken away! Is that not what protection is for, to be taken advantage of? What is the good of it, as some hon. gentleman over there asked the hon. member for Lincoln (Mr. Chaplin) this afternoon, if they do not take advantage of it? There are occasions when protection can go so far as to retain the market, in a measure, and the full advantage of it is sometimes taken; and occasionally the other party to the contract assumes the cost of protection. Not always, but nearly always, it goes to the consumer—that has been dealt with by the hon. member for Brome (Mr. McMaster).

Mr. ANDERSON: May I ask the minister what would be the personnel of the tariff board under the present government?

Mr. MOTHERWELL: The Acting Minister of Finance (Mr. Robb) has not disclosed that yet.

Mr. ANDERSON: What classes would be included?

Mr. MOTHERWELL: I can say it would not be a foolish one, such as is proposed by my hon. friend. That would simply mean a deadlock. It might be that some of those mentioned by my hon. friends would be represented on it, but not as such.

Mr. MEIGHEN: What ones?

Mr. MOTHERWELL: We have enough vocational and professional groups and institutions here without starting to establish more.

Mr. MEIGHEN: Will not the minister try to answer the question? Make a stab at it anyway.

Mr. MOTHERWELL: What did the right hon. gentleman say? I thought he promised to be good. Anyway, that is one more dry bone. Unfair advantage? We have heard of it for at least fifty years, and now it is restored, resurrected, renovated, rejuvenated, but by the hand of man only.

Now then, here we have another boneyard exhibit. My hon. friends make this proposal:

> That to enable the products of the western and Maritime provinces to reach more readily the markets so developed the special transportation burdens borne by those provinces should be shared by the whole Dominion either by contribution to long haul freight costs or by assistance in some other form.

And this coming from the right hon. leader of the opposition! He is going to assist the Maritimes by some special contribution that is to be provided by the whole of Canada. That, I say, from the same gentleman who did his best to remove the advantages that the western provinces were enjoying under the Crowsnest pass agreement. In fact, he did suspend it for three years, and when we restored part of it he opposed the measure tooth and nail in this House. Last year when he went through the western provinces he said again that he was opposed to it; it was not right; it was not fair that the eastern people should have their freight rates controlled by the railway commission while those of the west were controlled to some extent by act of parliament. Now he comes down at this eleventh hour and says: "We want some special consideration for the Maritime provinces, and we want the rest of the people to pay for it." I am not objecting to the principle; I simply want to get at the cause of this sudden conversion. There is another phase of it: the intercolonial rates that the Maritime provinces had were tantamount to a little "crow" of their own down there until my right hon. friend took them away in the consolidation of that road with the National railways. There is a slight increase, I understand, over the old low rates in the present day consolidated rates under the Canadian National. But my right hon. friend and his government—or it may have been under his former leader, Sir Robert Borden, I do not recall—took away the special privileges and the special rates which complied, I believe with the spirit of the understanding under which the Maritime provinces entered the confederation. Now the hon. gentleman and his party come along in this mealy-mouthed fashion and ask an opportunity to give them back. Too late. Why do they talk that way? Oh, their bones are dry and their hope is gone, and they are going back to wallow in protection again. Well, it cannot be done. Protection is not all gone yet; I do not know whether we will ever live to see it all abolished; it may not be possible to do away with it all, it may not be desirable; but at all events we do not want the brand of protection my right hon. friend and his party preach. So much for these relics, so much for this valley of bones. They seem sad over the impending fate of Canada. It is business depression that is preached by the hon. member for Fort William and Rainy River (Mr. Manion). It hangs over us, according to him, about as thick as a London fog. As a matter of fact, a little introspection will show us that the depression is in the Tory prospects in this country; that is where the depression has been ever since their defeat in the second battle of Hastings. Their spirits have been getting lower and lower ever since, and the last thing they want is an election. I do not know that anybody in this House is particularly pining for an election. People do not look for this heavy expense and turmoil before they have to. The regular term of parliament is five years. Why should we add twenty per cent to the cost of that by bringing on an election every four years? That is what the man in the street may be saying. The hearts of hon. gentlemen opposite, as a matter of fact, are frozen for fear an election might come. Hence the depression.

Mr. HANSON: What seat has the hon. gentleman decided to contest the next time?

Some hon. MEMBERS: York-Sunbury.

Mr. MOTHERWELL: If my hon. friend looks after his seat I will look after mine. I may say candidly I do not know where it will be, but I have had four or five seats offered to me. I do not know how many more there will be before the time comes.

As I was pointing out, Mr. Speaker, there was a time when hon. gentlemen opposite wanted an election, and that was a little over a year ago. I think they would have welcomed one at the end of our first year here, when we were sweltering between two forces that were grinding us to pieces, the Civil Service Commission and the upper chamber. My hon. friends were ready to jump in then and take advantage of our apparent helplessness. Last year, when they thought they had something terrible on three or four members of this government, maligning them and libelling them as anything but honest men, they would have liked to go into the country; in fact, they went to the country themselves in West Hastings, and they would have liked to go to the country all over Canada. But I am not going to bring out all the harrowing details of that disaster which they brought on themselves; but that is when they wanted an election, and they got it. They do not want one now, and no amount of bluff will prevail on me to believe they do. They are not ready. As a matter of fact, who is ready? But they are the least ready, Mr. Speaker, in the whole House. Now I think I am through with the valley of bones. We will have to get Ezekiel on the job if my hon. friends hope to resurrect all this dry timber and manufacture something out of it that will look like new.

Now, I have got in wrong with one of the Progressives at least, and I presume I have got in wrong with all the Conservatives. That is my luck. I suppose I am going to get in wrong with some of my own friends. I am going to talk now a little about two things, the Hudson Bay railway and the St. Lawrence route.

I was not an ardent advocate of the Hudson Bay railway until last year. This is a work that the people of western Canada have been looking for and sighing for and waiting for, for forty years. Sometimes our friends down here think we are not just right on that question, that we are a little bit sprung on it. Let me point out to you, Mr. Speaker, that ever since trade has been established between the nations, go away back to the early history of mankind, if you like, and you will find that people have sought the sea for the purpose of trade. That was the cheapest way to transport their goods, rather than by the combersome and expensive caravans travelling overland in those days. It is the inherited instinct of the human race to seek the shortest cut to tidewater in their endeavour to trade with other nations, and we are only exhibiting what is bred and born in us, that inherent instinct in the human race, in seeking this access to tidewater. The Dominion of Canada has committed itself to this work—both parties, all parties, if you like, in this House. Take a compass, if you can imagine one long enough, with one prong in the city of Regina and the other in Fort William, and then swing it around and it will land you at Port Nelson. Therefore, when you ship a cargo of goods from the west to Fort William, it is the same distance to take those goods to Port Nelson, and that route is 1,000 miles nearer the market than if you shipped them by Montreal. Do not blame us, Mr. Speaker, for entertaining these hopes. I remember less than fifteen years ago everybody smiled at the thought of Vancouver being a port through which to send our products to the Old Country via the Panama canal. The first article I ever read on the subject was by the present Senator Laird, and I thought he was plumb bug-house when I read it. Everybody told you the water was so warm down there that the wheat travelling that route would be all heated and fermented, and experts were sent with thermometers to test the wheat in transit. Well, anybody who knows anything about conduction knows perfectly well that heat and cold are not conducted in a granular body like wheat or sand. And now the complaint is made with regard to the Hudson bay route that that is too cold. Some people are never pleased. I have been studying the whole situation, and I want to say that so far as my judgment goes there is no more chance of failure in the building of the Hudson bay route than there was in the building of the Panama canal, or of the Suez canal, or in the building of the Canadian Pacific railway. Why should there be?

I am not going to deal with the question of when the Hudson Bay railway should be completed, because that matter is already in a resolution on the order paper. I would point out, however, this similarity. You remember the story, Mr. Speaker, of Christopher Columbus when he set sail some years ago, I do not remember just when, to cross the uncharted Atlantic, and when he arrived about the same distance across the Atlantic as we are towards Hudson bay, that is eighty per cent, his muntinous crew wanted him to turn back, but Columbus persevered

and landed on this continent. Well now, there are, I will not say mutinous, but faint-hearted Canadians who want us to turn back now we are four-fifths of the way to Hudson bay. Is that the kind of stuff we are made of? Does that in Canadians mean ambition? Ambition should be made of sterner stuff than that. Surely the country that built the Canadian Pacific railway across the lake region and the prairies and over the mountains should not falter at completing the Hudson Bay railway some time. I can only put it that way in respect to the hon. member for Prince Albert (Mr. Knox) and his resolution. This was a matter of public concern away back in Hugh Sutherland's time, over forty years ago, before the Canadian Pacific was built. As a matter of fact, it was in those early days that we got the real views of experts on the question. No other influences governed them, there were no other influences to govern them. Information was available on the question, and I am going to read some of that information after a while.

What I want to point out is this: Just as the Liberal party was the party to turn the first sod in the building of the Canadian Pacific railway under government construction, so the Liberal government under Sir Wilfrid Laurier was the first government to commence the building of the Hudson Bay railway. They started to build it in 1910, and were continuing the work in 1911; I remember there was only one constituency that went Conservative at that time. That was the year of the reciprocity treaty, and the reason that constituency went Conservative was because we were not, in its opinion, building that railway fast enough. I refer to the constituency of Prince Albert. When the Conservatives came in for good or for ill—we will say it was for good; we will have to take it that way anyway—when they came into power, to their credit, I think, they took the right course. The Minister of Railways of that time went on a tour through the Hudson bay district and around to Nelson. He came back and apparently reported favourably on the project because the then government went on building the line; we must give everyone his due. The bridge over the Kettle river was built by the preceding government; and then the subsequent government—Union government, Conservative government, hybrid government, or National Liberal and Conservative government; you know the one I mean, the one with the long name, longer than you can remember, that is the one—went on with the enterprise.

Well now, the country is committed to the project; there is no use in discussing at this late date the practicability of the Hudson bay route. Over 100 years ago the Selkirk settlers entered Canada that way. That was their route to the western plains—it was not by railway that they hoped to go in there—and people had been going in that way for 250 years. Why, there were fortifications on Prince of Wales island, at the mouth of Churchill river, equal almost to the fortifications at Quebec. They were splendid fortifications. When they were built they were built with an eye to the future. People believed in the route at that time. Then, look at the primitive sailing vessels of that day without any radio, without any fog horns, without any lights, or any of the aids to navigation such as we have to-day all along the St. Lawrence. Under those conditions, with comparatively few facilities, the primitive sailing vessels of that day followed that route for 250 years. Nowadays, we have modern steamships and all possible aids to navigation, and they do not need to run into ice jams. The ocean there is the same Atlantic that laves the shores of old England, it is an arm of the Atlantic, a bay and a strait that never freeze, in the sense that we understand the term and are jammed full of ice only for a comparatively short period. Well then, why do we fear? The question of the practicability of this route was decided long ago. The only question now before the country is when can we afford to build the line? I suppose, if I were to be quite candid, that if either the Hudson Bay railway or the Welland canal were mooted to-day for the first time, it is very unlikely that either would be commenced just at this period. But both enterprises have been started, we have got to take things as we find them; and it is very important to get the Welland canal finished. We have a big sum in the estimates for that purpose, and rightly so. But there are not enough of us in this House who think the Hudson Bay railway should be finished. Now, the reason I am saying this, and appealing to my hon. friends on this side particularly, is because I listened, with great interest, to the speech of the hon. member for St. Lawrence-St. George (Mr. Marler)—in the debate on the Address. I have watched that young man ever since he came to the House. Sometimes, he stumbles a bit from my standpoint, but he is groping for the truth, he is a true Canadian, and he is trying to evolve a balanced policy for Canada. Some weeks ago I noted some press reports of a speech made

by the hon. member and I asked him for a copy of that speech the other day and he gave me one. From a careful reading of the speech so far as I can understand, his heart's desire is that the strong should bear the burdens of the weak, and by reason of the dissimilarity of interests that exist, where the tariff is burdensome on a weak, outlying province, then Canada as a whole should come to the relief of that province. My right hon. friend the leader of the opposition is just coming to a realization of that policy but I am afraid he is too late. The hon. member for St. Lawrence-St. George is preaching the policy of equalization; preaching the policy that if you cannot treat all the provinces alike do something else by way of compensation. Although I do not think that I shall succeed as well as he did I am going to endorse the same principle.

I ask for the sympathetic consideration of members of this House on behalf of those of us in the west who are looking to get to tidewater by the shortest possible route. Now, I want hon. members to keep an open mind on this question. Personally I have gone up as far as the Kettle rapids on the Hudson bay route. I did not go to Nelson river; I had an engagement in Winnipeg and the trip that far would have occupied two or three weeks longer. Consequently I could not go there as I would like to have done. I suppose I do not know as much about the facilities of Nelson harbour as I should have if I had gone there and seen the harbour for myself. I am not a maritime man and do not pretend to know much about ports; I do know however, that some of them cost quite a little money. What information I have has been gathered from navigators, engineers, fishermen, settlers and trappers. I do not know why we are not now going to Churchill instead of going to Nelson, and I am going to read and put on Hansard some of the authorities whose testimony makes that question still more puzzling. Again I ask, in view of what these authorities say, why did they go to Nelson? I do not know. Some of our western friends are impatient on this subject, and I do not blame them because they have really been thwarted on this matter so long. I do not blame the late government for suspending work in 1917 and 1918. I recognize that I run the risk of being misunderstood in casting doubt on the practicability of Nelson as a proper harbour. I have come to the conclusion that there has been a big blunder made in going to Nelson. Why did they do it? Who am I that I should presume to have information on that point? Well, I am going to quote what was stated in an annual report of the Department of the Interior in 1884:

> The Nelson, in the last thirty miles of its course expands like a funnel, from half a mile to many miles in width at its mouth so that it offers no natural advantages or facilities for a harbour, but rather the reverse.

Why should we fight against nature? If we get nature on our side, all the forces of nature, it will be like going down hill with the wind at our backs; but fighting against nature is a different thing. When I passed through St. John I did not see Courtenay bay which is washed by the Fundy tides. That work is taking quite a lot of dredging. I have heard a lot about it but did not see the locality myself; I came through at night and took sail early in the morning. When I compare Nelson to Courtenay bay I do not know to which I am doing an injustice; but I think it will involve interminable dredging to keep open the channel of the Nelson as it enters Hudson bay. Now I quote from the report of the government expedition under Lieutenant Gordon in 1886:

> I consider the estuary of the Nelson river is one of the most dangerous places in the world for shipping to go.

What evil spirit directed our people to Nelson instead of Churchill where people have been going for over 250 years, where there is a land-locked harbour with a narrow entrance of less than half a mile, and with deep water; and if you want to enlarge it, it will take care of our shipping for a considerable length of time, being capable of being enlarged with comparative ease.

Lieut. Gordon continues:

> I can only repeat my previously expressed opinion that the Nelson harbour is no port, nor would the expenditure of any amount of money make it a desirable place for shipping.

If you wanted to queer this project you would shoot it into Nelson, and that is as far as it would go. Captain Bernier is one of the living apostles who gives evidence. I would like to meet him, but am sorry to say I never did. I believe he was in Ottawa a short time ago. He is a sailor and no theorist, a practical mariner, an explorer, a man who goes north every year or almost every year on Arctic expeditions. He knows what ice is and realizes what danger is. He has been captain of a vessel since he was seventeen years of age. I understand that in middle life he thought there was more money in farming. He tried it, but he is back now on the sea. Perhaps he was unfortunate. If we keep our business in hand I say that there are worse occupations than farming. Here is what Captain Bernier says:

In the Hudson bay, as far as my experience has gone, there are two ports—Port Nelson, which will never be a port, because the river gives so much sediment and every spring when there is a heavy thaw there is a wash-out which changes the channel of the previous year. Therefore, a vessel coming in would need to have full knowledge of the present spring before she could enter, and she might be obliged to discharge outside. I consider that Canada is too poor to maintain a port like Nelson.

Listen to this:

I consider Canada is too poor to maintain a port like Nelson.

Mr. BIRD: What date is that?

Mr. MOTHERWELL: That statement was made before the Royal Grain Commission in 1923 by Captain Bernier. Now, what about the engineers? I do not want to reflect upon the engineers, but after reading this evidence I will explain what I think the situation is:

At Nelson you have to build on sand or make foundation.

Hon. members know what happens to a foundation built on sand. Then he refers to Dr. Bell.

The difficulty of mapping the shore accurately is increased by the fact that the sea is receding at an appreciable rate.

It is shallow there. It is a tidal harbour with a very low tide, and they have to discharge their cargoes there. It has two advantages which I will deal with later. One does not count but the other does.

Mr. Joseph Robson, the surveyor of the Hudson's Bay Company reported:

Monday, the 15th July, 1745, fifteen minutes past seven in the morning, set sail in the factory's long boat, in company with Capt. Fowler, from on board the Sea-horse pink, then lying in Five-fathom hole, to sound and discover Port Nelson river. At thirty-eight minutes past seven, abreast of the beacon that stands at Five-fathom hole, the water fallen one foot, a neap tide, wind N.E., fresh gale.

* * *

At sixteen minutes past ten we had three fathom water; being on the north side of the sand that parts the fairway into the two rivers Nelson and Hayes.

And then he goes on and says:

We cut our names on the trees in the N.E. end of Seal island.

From eight fathom and a half we stood to the S. eastward about three miles, saw a point or ridge of stones on the south side, distance about three-quarters of a mile, sounded three fathoms; this point of stone dries three or four feet perpendicular and seems to lie two or three miles from shore; but there are flats that dry at low water all the way to the shore, so that a man may walk from these stones to the land.

This indicates that in the estimation of these gentlemen who are practical men, perhaps not engineers and may not know much about the theory of engineering, the project is practicable. These men are doing things and giving us a real opinion, and are like Captain Bernier in this respect; no matter what engineers say, he has done it himself. What he knows he tells under oath before the Royal Grain Commission. What I have been reading is against Port Nelson, but here is something in favour of Fort Churchill, written by Sir Henry Lefroy, secretary of the British Geographical Association:

It (Churchill) will undoubtedly be the future shipping port for the agricultural products of the vast Northwest territory, and the route by which immigrants will enter the country.

In Lord Selkirk's time that is the way they came through:

They wintered at a point between Kettle rapids and Nelson, proceeding to the Red river settlement in the spring. That was before the Canadian Pacific railway was built. Nobody thinks of going in that way, we do not have to, but it just shows they saw a vision of an entrance into the northwest via Hudson bay, a great arm of the Atlantic.

Dr. Bell, Director Geological Survey of Canada, in an address to the Royal Geographical Society, October, 1881—that is the year the Canadian Pacific railway contract was entered into says:

The Churchill river is remarkable for having at its mouth a splendid harbour, with deep water and every natural convenience for the purposes of modern commerce.

Ask a pilot on the St. Lawrence or a pilot anywhere what he wants. He will tell you good deep water and good coast line. He does not want to go any place where he has to hold his breath for fear of bumping on the rocks below. Then George A. Bayne, civil engineer, gave evidence before the Royal Grain Commission as follows:

The harbour of Churchill is one of the finest I have ever seen. Nature has done so much for it in the way of protection from storm and the depth of water, that without further improvements it is fitted to take rank among first-class ocean ports.

Mark that

It is fitted to take rank among the first ocean ports.

That means that it is fitted to take rank with Montreal, Quebec, Halifax and St. John. Why do we fear? What is going to happen if we have one more ocean port? Will anything but good happen to us?

Mr. William Smith Deputy Minister of Marine and Fisheries, in an article in the Nautical Magazine, August, 1892, said:

"Stone lies at the water's edge ready to be laid into the docks or piers, and nature seems to have left little to be done to make this a capacious port, capable of doing business on a large scale, and, what is of the greatest importance, an inlet by Hudson bay is the only thoroughly independent channel which can ever be established between Great Britain and her north American possessions."

The only channel? I wonder is that true? Let us see how our grain goes now. I know that I never realized till last summer that we are dependent on a friendly foreign nation

for every carload of grain which leaves Canada for Europe. If it goes via Vancouver it must go through the Panama canal, over which we have no control. I think there is some international arrangement, but hon. members know what happens to such arrangements. I am not fearful that they are going to be disturbed, but I have pointed out that the grain that goes west does not go through an independent channel, but through a splendid canal built by our friends to the south, and every bushel of grain that comes from Port Arthur and Fort William and goes down to Montreal and Buffalo has to go through the American Sault at Sault Ste. Marie. Why? Because the Canadian Sault is not sufficiently deep for the large vessels of the upper lakes or for any of these vessels. I was there last summer and I found that our boats drawing grain came down the American Sault. Consequently, strictly speaking, right off the bat, it is true, as has been stated, and no equivocation, that this is the only independent route worth speaking of, from the great plains of the west to the outside world. I do not think we will ever have any difficulty about it. I say to our friends from Montreal and from Quebec that we are all proud of those ports, and the better we do the better they do, but what makes Montreal great? It is the great fertile country that she serves.

Let me read this report about Churchill:

> A harbour such as that of Churchill on Hudson bay would have the advantage over Quebec or Montreal of connecting directly with the open sea, and here in the autumn vessels would not be liable to be frozen in, as occasionally happens in the St. Lawrence. There has been some discussion as to the length of time during which Hudson strait and bay might be navigated each year. There does not appear to be much evidence that the straits any more than the bay is closed at any season.

Why be faint-hearted in this matter, especially if we get a project in the manner described by the hon. member for St. Lawrence-St. George (Mr. Marler), and if we approach it in that way with the idea of having a great family of Canadian provinces, each with some regard for the interests of the other, the strong provinces of the centre, if they find it necessary to impose something on the weaker provinces, compensating them in some way? I try to speak for the western provinces when I say that we feel shut in there sometimes, like rats in a trap. We want to get out to the world by the short cut. Everybody in these days is always on the look-out for short cuts. In Ottawa, for instance, if a man can save half a step, he will cut across somebody's lot. That is what we want to do, but we want to do it legally and practically. This means a great development for us. We never can do our best in the west until we get that port, or until we know it is either a port or a bad dream. We want to make a spoon or spoil a horn and we believe we can make a spoon. These are some of the reasons why we believe we can, and if we do, you will hear no more of this croaking, some of it justified, that has been going on. Those who have studied out these matters know things are not going aright. They know the heft of opinion and influence is down here and they feel put upon, irritated. They look to the west, with the mountains rising up to the heavens. They look to the east; they have never lived here and it is a long distance away. They are afraid of the east; they do not like the look of it, because they do not know us The story takes a great deal of telling when many others are telling the other side of it. We want to get out through that way and nobody will prosper more as a result of that than the east. In that way you will get the old settlers with their hearts aglow with new hope, and that is what brings the new settlers. When the old settlers feel that they are doing something, getting somewhere, becoming a factor in the country, they will go home and tell the new ones to come out. They will say to them: This is a goodly land; we are well treated here; we have a good country and we are getting along nicely. You will not get new settlers in the right numbers until that happens, and when it happens Montreal will grow bigger and better than ever, so will Quebec, so will the Maritime provinces and all the east generally. Our purchasing capacity will be increased, and if you in the east make your prices reasonable, we shall buy Canadian goods in preference and not be doing as we did after reciprocity was defeated, when many of us, setting our teeth, said: Well, they cannot make us buy from them anyway. That is a bad spirit. I am glad to say we are getting ashamed of it and, wherever there is a disposition to make the duty reasonable, a duty for revenue, such as we have on agricultural implements now, the old spirit is coming back and we say: Other things being equal, we will buy Canadian goods. But after reciprocity was defeated, we did not have that spirit at all, far from it. I will not, however, go into that. Dr. Bell continues:

> The only harbours on the west side of Hudson bay are those formed by the mouths of the rivers, but none of them, with the exception of Churchill harbour can be entered by vessels drawing more than ten or eleven feet and only at high water even by these.

A harbour such as that of Churchill on Hudson bay would have the advantage over Quebec or Montreal of communicating directly with the open sea, and hence in the autumn vessels would not be liable to be frozen in.

That is similar to testimony that I have read by another party, so I will not repeat it:

Churchill harbour does not freeze up until November and the sea is open close to it during the whole winter.

Salt water! Many people have the idea that this is a fresh-water bay. It is not; it is the Atlantic ocean. You can be in the middle of the strait and not see land on either side. You would not know that you were not in the Atlantic if you were there in the summer time. Of course, at other times of the year, you would be aware that you were not in the Atlantic. Many icebergs can be seen in the north Atlantic as late as August. Why should you bump into them more in Hudson bay than on the Atlantic? This talk about icebergs has been just an excuse. Captain Bernier, in another place, says that the Hudson bay is navigable for at least four months in the year, and with a ten per cent addition to the cost of the construction of our boats by adding a proper plating to withstand the ice pressure, you would have another month added, making five, if not six months that the bay is navigable. Another quotation:

Hudson Bay. The western shore is low and affords but one well-sheltered spacious and perfectly safe harbour, Churchill, situated 200 miles from York factory.

Perfectly safe harbour! Would the mariner on the seven seas not sigh for a perfectly safe harbour when the storm from without threatens his vessel? Why do we not carry out this project? There is a story which I may as well tell now—I know the gentleman's name, but I will not mention it—that

9 p.m.

somebody got a homestead on Churchill harbour, securing all the water front, and that he sold many town lots. Hon. members will remember the boom time and some of us here probably got stung, perhaps not as regards that place, but as regards others which had existence only on paper. This was one of the great ports of the world! Possibly somebody had been reading this and thought the development was going to take place right away. He did not know that there were as many, not mutinous, but faint-hearted officers on board as Columbus had, who wanted to turn back. I do not know what government was responsible in this connection and feel quite free to speak about it; but somebody said that Churchill was not the port the man who homesteaded there thought it was, and some engineer advised them to go down to Nelson, at least to get away from the ambitious homesteader and to open the port at Nelson. What about the engineer? The only explanation I ever heard was this and I can understand it. An engineer would not have much of a job opening up Churchill. The Lord himself made Churchill and you cannot improve on His handiwork, but no such provision was made at Nelson and an engineer had opportunities there. Why go to Churchill? You will never make a record at Churchill for any engineer because the work is all done. Here is Nelson, exposed to the sea, an uncertain channel, better, it is true, than we thought it was a few years ago. The season opens up a little earlier at Nelson, but there are low tides, great mud flats, with a channel away off from dry land, with half a mile of steel trestling to get to it, quite a considerable quantity of dump to get to the steel trestling, and an artificial island at the end of that. Imagine that! Just a row like these desks for half a mile of steel trestles to go across a mud flat to the channel which is constantly changing at Nelson. Then you have to build a great island on which to erect elevators like those at Montreal. The man who built on sand was, it seems to me, a wise man in comparison with this one. Why did they go there? There has been spent on that harbour up to date about six million dollars, and it is believed that Churchill could be established as a port for one-half of what it would take to complete the harbour at Nelson. Those of you who know what dredging means will realize how slow a government dredge can be, especially if you have ever gone down the St. Lawrence and looked at some of the locks there: the lock-keepers have to put up a picket to see whether the dredges are moving or not. As to dredging Nelson harbour, you would have to wait from now till the crack of doom to get results. Those gentlemen who are familiar with the Saskatchewan river no doubt know that the channel is seldom twice in the same place, for it is nothing but shifting sand; and those who are still more familiar with the bay of Fundy know what it is like there: the tide digs in here and digs in there and the least little thing will divert the course, so that you have it goring into the opposite bank, sometimes beneficially to the land adjoining. The assumption is that the engineers in this instance, seeing an opportunity of doing something by which they could become famous, by making the impossible possible, decided upon Nelson. But as Captain Bernier says, Canada is too poor to carry out a stunt of that kind just now. Shall we therefore, in the face of these

evidences, persist in following what is apparently a hopeless course? Possibly I was waylaid by designing men when I was out there, but I met different classes of people from some of whom I gathered that the opinion was that Nelson was not regarded as satisfactory. I met some engineers who I am sure would not give me wrong information, but I will not give their names inasmuch as it might get them into trouble. They are men of high repute whose word I would take and they declared that a mistake had been made, although they did not want to talk much about it. But there was no doubt as to the opinion held by more talkative people such as trappers, miners and fishermen. Let me quote from Lieut. A. R. Gordon, of the government expedition of 1886:

> This (Churchill) harbour is admirably suited for a railway terminus. The necessary docks could be easily and cheaply built, and the deep water basin enlarged at small cost. Stone is lying at the water's edge ready to be laid into docks and piers and Nature seems to have left little to be done in order to make this a capacious port fit for doing a business of great magnitude."

There is no equivocation at all about that. Then why do we go to the other place? I do not know, and the explanation that is offered is not sound. The explanation, about shifting to Nelson to get ahead of that ambitious homesteader who squatted at Churchill, will not do. Can anyone imagine engineers arguing that they would risk their reputation by doing something that might prove a failure merely in the hope that that reputation would be enhanced if the undertaking were successful, when the chances of success were so very small? Can anyone imagine such a thing? That explanation I cannot understand. Human nature, Mr. Speaker, is so strangely contradictory that if Churchill had been decided upon some people would have advocated Nelson. But there is no doubt about the fact that the great majority of those who know anything about this matter are agreed that the evidences in favour of Churchill are incontrovertible; there is a great value there that we have overlooked.

One of the advantages about Nelson is that it is open ten days earlier owing to the fact that it is further south by 120 miles. But the deciding factor is not the earlier opening of Nelson harbour; the important thing is the navigation of the Hudson strait. So that the fact of Nelson being open ten days earlier is immaterial. On the other hand it is 90 miles nearer to tide-water to go by Nelson, that is to say, to go via Churchill a distance of 90 miles further by rail haul. The only compensating factor would be that much less of a water haul, which is not nearly so important as 90 miles by land. In addition to that there is from Churchill to Kettle rapids on this side a certain amount of muskeg. But there is no danger in that, because the muskeg is easily removed; you can roll it off like a carpet and let it freeze. There is no great engineering difficulty involved in it, and for that matter three of us could attend to it ourselves. It would not be true to say that it is not cold up there, because you do feel the cold; but it is sheltered and no wind breaks are required nor is there any need of snow fences. And it is some 400 miles with a drop of 800 feet towards the bay. It is the only road in North America that has not a bonded debt and there are no dangerous level crossings. I will quote from Captain S. W. Bartlett, in the Cruise of the Neptune, 1903-4:

> The mouths of all the large rivers to the southward of Churchill are more or less blocked by deposits of sand and clay brought down by the streams. In consequence of these obstructions only small craft can enter the harbours inside the mouths of these rivers, and larger ships are obliged to lay in the dangerous roadsteads usually several miles away from the nearest dry land.
>
> The approach to the harbour of Churchill, if aided by a few beacon lights, would be comparatively safe, as the channel of approach is fairly deep and wide. Once outside the points of the mouth, the harbour extends up stream about a mile and has an average width of half a mile, with a couple of shallow places in the upper part that might easily be removed by dredging; the general depth of the harbour being from four to four and one-half fathoms.

Now I am a believer in the Hudson bay route and I take some satisfaction after all in the thought that it has not been rushed on to Nelson, for if these statements are true it would have been a calamity to do that and would have meant the ruin of the whole project for the present generation. It is true that one generation has worn itself away in anticipation of the achievement of this great enterprise, but it would have worn another generation away waiting to get real practical developments via Nelson. That is my opinion and I have given my authorities. And there is no one authority amongst them that so convinces me as the evidence of Captain Bernier. I do not by any means despise our scientific men; indeed, I have a profound respect for men of science, men of engineering knowledge and skill; I think very highly of our experts. We could not possibly do without the experts and I respect them. But in this particular case I have still greater respect for a man like Captain Bernier who has been captain of vessels continuously from the age of seventeen. He knows what he is talking about, as only a man with actual experience can know. For these reasons I have some satisfaction in the

thought that the Nelson project has not been carried out. I want to see the road kept in shipshape as far as Kettle rapids, and I want to see the question settled for all time as to which port will be developed. It is not for me to go further on that point than I have gone; the Minister of Railways (Mr. Graham) will discuss this question among others in his annual statement on the railways. If we reach the resolution of the hon. member for Prince Albert (Mr. Knox) the Minister of Railways (Mr. Graham) will probably have something to say with regard to it.

I came back from Hudson bay and went to Fort William for the purpose of coming east by the St. Lawrence route. There was great congestion at that time, about the beginning of September, the wheat was going up; there was no demand for it from the British market, and it was accumulating rapidly at Montreal and backing up to Port Colborne. We could not get a wheat boat to Port Colborne, so we had to take an ordinary passenger boat. When we got there we found six or seven large upper lake vessels with a capacity of from three to five hundred thousand bushels apiece, which were unable to discharge their cargoes into the elevators. Our eastern route has become obsolete; it is ten or fifteen years behind the requirements of the country. When we get the Welland canal completed, however, you will have the upper lake boats passing right through to Brockville or Kingston or Prescott, wherever the terminus may be, and they will be able to carry grain more cheaply than they are doing now under present conditions. You will also have the railway facilities with only one divisional point to cover and it will be possible to avoid congestion at Prescott or wherever the terminus is. We have only half the storage space in Montreal that is available at Buffalo. People are wondering why the Saskatchewan Co-operative elevator people are building an elevator at Buffalo, but it is because they have so much more space there. They have abandoned practically all these obsolete canals and are getting the grain through to New York fast enough to prevent congestion. If a vessel has to wait three weeks at Port Colborne before the cargo can be discharged, sometimes even before the crew can be discharged, freight can never be drawn cheaply. We cannot expect cheap transportation on our inland waters until the Welland canal is completed. Some of the larger boats may not be able to go through the canal, but most of them will. Those that cannot go through will discharge at Port Colborne, and those that can go through will proceed to the terminal point and by that means nearly all the benefits of the deepened St. Lawrence can be secured without the large cost of additional improvements from Prescott to Montreal; because you have the Canadian National, you have the Canadian Pacific and the canal boats available to keep the grain moving. When we have more population to pay for it, the Welland canal project will one day be completed and I am satisfied that we should get a reduction of two or three cents in the cost of the carrying of grain to Montreal. It costs four times as much per mile to haul grain from Port Colborne to Montreal as it does to haul it from Fort William to Port Colborne. It took us nineteen hours to go through the Welland canal, and we were stopped for two hours by fog. If that occurred on the Hudson bay you would have heard about it all over the country, but you do not hear about it when it is on the Welland canal. All honour, I say, to the men of a hundred years ago who started the canal system. Some of our grandparents came up the rapids from Montreal by any means they could employ—paddled, poled or walked; and I cannot pay too high a tribute to the Canadians of that day who conceived and carried out the canal systems on the St. Lawrence. But they are inadequate to meet the greater needs of the present day. It took sixty-eight hours to go from Port Colborne to Montreal, a distance of 320 miles, which is at the rate of 4½ miles an hour. You cannot draw grain cheaply that way; it is only one and a half times faster than a relay of horses could do it. In the 64 miles of canal the rate was less than two miles an hour. Let us not look for cheap freight rates under these mediaeval conditions; they were fine in their time but they cannot meet the needs of to-day. It will take six years to finish the canal, and when it is completed I should say that three-quarters of the benefits of the deepened St. Lawrence system would not be any better than the facilities provided by the Welland canal when the upper lake boats can discharge at Prescott or the terminal point in that part of the St. Lawrence system.

We have discussed lake rates in this House, sometimes rather heatedly, and I had almost persuaded myself that the remedy was to remove the coastal laws. It sounds good; it is getting a crack at somebody. But when the conditions at Port Colborne, for instance, are such as I have described, six or seven big vessels finding it impossible to discharge cargo—and prices were not up at that time, because the carriers were under contract early in the season; some of the grain was being taken to Montreal at six cents a bushel—

would not the removal of the coastal laws and the operation of twice as many boats simply make the congestion worse? Unless you have actually seen the condition it is hard to grasp its significance, but let me illustrate it in this way: An elevator is receiving grain very rapidly; ten wagons are waiting to unload. Would it cure the situation to bring on ten more, or would it not make the congestion worse? Do not misunderstand me: at a time when there is no congestion at Montreal or Port Colborne and cargoes can be discharged with despatch, then if there is imposition, if there are excessive rates as there were two years ago, the admission of more tonnage would provide a measure of competition and possibly afford some relief. But only under those conditions should it be done.

It seems to me there is no justification for the upper lake boats charging more to haul grain to the bay ports or Port Colborne than is being charged to take it to Buffalo, just a little bit further. It is only when there is congestion that there is any justification for high charges. Consequently, when there is no congestion, the control that is provided for in the act should be exercised in some way to see that advantage is not taken and the freight rates put up and more charged for the shorter distance than for the long haul. I can imagine Port McNicoll and other ports being in the very same position that Port Colborne was, and not being able to unload, because a lot of our grain goes from these bay ports to Montreal. The year before last 26,000,000 bushels went by rail, and if there was congestion at the bay elevators the boats would have the same difficulty, idling around there for several days, not being able to get rid of their cargo, and not being able to haul as cheaply as if the grain went right through to Buffalo. You cannot have a crew doing nothing and getting their board and pay, and draw grain cheaply. So I have come to the conclusion that what we need is more storage at Montreal, quick despatch at Port Colborne, the Welland canal finished at least as far as Prescott, and then we will have cheap rates on our inland waters. In the meantime we have had some control. I do not want to go into any of the controversial phases of that question, but the fact that we have had no complaints for the last two years is the best evidence that there is not the situation to-day that there was two years ago, and it is attributable to our legislation and our control, and to the possible further use of that control. Two years ago, was not every newspaper in the west and every Progressive member in this House from the west shouting from the housetops of the exactions on the lakes? You have restored the Crowsnest rates, they said, but what you gave with one hand you took away with the other by these lake rates. You could not get that out of their heads, because they knew the pinch was there. Do you mean to say there is a pinch now, and that somebody has come along with an anaesthetic so that they do not feel the pinch? Can you find one newspaper in the west complaining about rates on the lakes to-day? So, Mr. Speaker, I say that if we can give as satisfactory control on the ocean as we are getting to-day on the inland waters of Canada, and with as little discontent on the ocean as we have to-day on the lakes, we will certainly have done a great work. I say, Mr. Speaker, that there cannot be exactions such as we heard described two years ago when the Minister of Trade and Commerce (Mr. Low) was putting through his bill, there cannot be these exactions and alleged losses by the farmers without them knowing it; and if they do know it, they have certainly been wonderfully quiet about it. No, Mr. Speaker, conditions are not the same to-day. We have not had occasion to use all the power we took in that bill. I admit frankly there were phases of that legislation that were not workable in the beginning, but where is the bill that has not some weakness in it? For two months it was unworkable; for two months the rates were admittedly higher while the negotiations were going on, but as soon as that was ironed out the whole matter was adjusted, and has stayed adjusted until this day. Will anybody tell me where there is a legislative body in the world to-day that can frame legislation which it never needs to change? I will admit we made mistakes, but we corrected the weaknesses, and we met the situation, and that is what we are going to do on the Atlantic and on the Pacific.

Mr. LADNER: Does the minister consider that the freight rates question in western Canada is in a satisfactory condition to-dav with the Crowsnest agreement in operation?

Mr. MOTHERWELL: I was speaking of water-borne transportation.

Mr. LADNER: But you referred to the other rates.

Mr. MOTHERWELL: I have been having an entirely new experience to-night, on the water. I have always been on the water wagon, you know, and I am trying how it goes on the ocean.

Mr. LADNER: We were trying to find out which way the minister's sails were set.

Mr. MOTHERWELL: Oh, bless your heart, you should not have much difficulty about that. I did not think anybody was in doubt about that. Sails were set for what?

Mr. MEIGHEN: Both ways.

Mr. MOTHERWELL: For what?

Mr. MEIGHEN: For everything.

Mr. LADNER: Many of us are interested in the Hudson bay question. I have listened for quite a long time to the merits and demerits of the two locations. May I ask if the minister's statement on the question can be taken as a declaration by the government that they will not bring down legislation on the Hudson Bay railway this year?

Mr. MOTHERWELL: No.

Mr. LADNER: Is that a declaration that they will?

Mr. MOTHERWELL: I had a talk with the Minister of Railways before he left, and he will make whatever official statement is to be made by the government on the Hudson Bay railway when he makes his annual statement. I am simply giving the House the result of my own researches up there, which were incomplete, it is true. I am afraid my hon. friend is putting his questions second hand just now. He is getting his bad ear next his prompter. Maybe the right hon. gentleman would like to have a chance to ask his questions direct.

Mr. MEIGHEN: I was just thinking from the speech of the minister on the Hudson bay that he probably expects to run for a seat in northern Saskatchewan.

Mr. MOTHERWELL: I may say I have had an offer from there, but it is not the seat of my hon. friend from Nelson (Mr. Bird).

Mr. LADNER: Has the minister given an answer?

Mr. MOTHERWELL: I do not think it lies with the right hon. gentleman to twit me on that. What happened in Portage la Prairie in 1921? Lots of better men than either of us have got licked in an election, although I am a great admirer of my right hon. friend, but he was a little unhappy in his choice that time. I think he had better let the hon. gentleman on his right (Mr. Ladner) ask his own questions.

[Mr. Motherwell.]

Mr. LADNER: The right hon. gentleman has not inspired my question. I am waiting for the minister to reply to one of my questions, as to whether his statement as to the Hudson Bay railway in any way indicates the attitude of the government, or whether he is forestalling the refusal of the government to bring down legislation.

Mr. MOTHERWELL: None whatever. I am simply giving the results of my own investigations from my own standpoint. I discussed this question from the point of view of agriculture and mining when the estimates were up, and I did not want to repeat what I said then. But the hon. member for Springfield reported that as he went through that district with Premier Bracken he found a small crop of land cultivated at Port Nelson, and suggested that we use that as a basis for some experiments. I have taken the necessary steps to do that. I recited all that on the estimates, and I am now giving the results of my further investigations not only with respect to the Hudson bay, but also the St. Lawrence route. No one can go over that country without being wiser than when he started. I do not mean to say that I have found out everything, but I have found out a lot more than I knew before. I have already indicated that the Minister of Railways will declare the government's policy on all these matters when he makes his annual statement. I am not forestalling or supplementing what he will say in any way.

Mr. LADNER: Has the minister come to a conclusion as to the location he thinks should be selected?

Mr. MOTHERWELL: All the evidence indicates Fort Churchill. I have not been there, but I have given you my evidence, and I have given you the facts of history for 250 years, and all the evidence points to Fort Churchill as the natural port.

Mr. LADNER: Has the minister convinced the government that that would be the best selection?

Mr. MOTHERWELL: No, I have not tried to yet. One at a time is good fishing. The budget came off first; that comes on later. We will just deal with things as they come. I think there are one or two more questions the right hon. leader of the opposition wants to put, and I may say that I never felt more accommodating in my life.

Mr. MEIGHEN: I am still waiting, I have waited two and a half hours now, to hear about that higher duty on coal.

Mr. MOTHERWELL: I am getting to it rapidly. I think I have now got to that point.

Mr. BIRD: Before the minister passes from that point, does he think the evidence he has quoted is sufficient to warrant the government in going ahead and building to Churchill without further investigation?

Mr. MOTHERWELL: I am not sure that I caught my hon. friend's question exactly. But does he think that—

Mr. BIRD: I am just asking if the minister considered the evidence—

Mr. MOTHERWELL: No, the evidence is not yet sufficiently strong to justify going ahead and building to Churchill. We must be sure of our ground before we take final steps. This muskeg that is spoken of must be investigated. As I understand it, there is really no muskeg in that country, but there is quagmire.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: I will await the pleasure of my hon. friends. If there is any joke in the matter, I want to hear it, because I want to take them all in.

Mr. BIRD: My question was asked in all sincerity because I thought the minister had expressed himself in that regard. I know that what he has said to-night will cause a flutter of public opinion in the west. I was at a meeting which was held in the board of trade building in Winnipeg the other night. It was a crowded and very enthusiastic meeting, and they were all in favour of Nelson. The minister's declaration to-night will cause considerable disturbance in the west and therefore I wondered if he had anything further to say.

Mr. MOTHERWELL: Even doctors will disagree; engineers also will disagree. I remember hearing a report at an annual meeting of engineers east of here; they had the most hilarious time in the world over it. I pin my faith, in what I said, on practical men who are doing things every day, and I have found such men to be reliable all through life, both on land and on water. I am quite aware of what will be said on the prairies. I know it will be said that I am trying to raise some objection to this project going forward. I know that. I have been long enough in public life to know the danger spots, but I am going to take a chance because I feel in my heart that I am right.

Now, I do not want to keep my right hon. friend the leader of the opposition any longer in a condition of suspense about the Maritime situation. All our opinions regarding these rate matters—those of us especially who do not live in the Maritimes—have to be given with some qualifications. I never visited the Maritimes but once in my life, and that was a year ago last summer. I spent three and a half weeks there, and I was certainly charmed with that country. I heard the grievances of the people at first hand, and they put me in mind very much of our own grievances in the west. As a result, my heart went out to the Maritime provinces. People who suffer similar adversity will be drawn together; adversity always draws men together better than prosperity—a common difficulty, a common danger, if you like, common troubles. I tried to analyze their difficulties to see if, in my own department, I could contribute anything towards alleviating those troubles; and do you know, Mr. Speaker, that after searching fore and aft, after searching all over the country and looking into rate troubles for a possible solution, I found that those troubles were not as numerous as we were told.

Now the freight question was a great difficulty; it has existed for years in connection with the mines. I am not a miner at all, but with my companions I went down into the Glace Bay mines. In fact, I visited the whole mining area there. I talked to the miners, I was in their homes, and I ate with them. As I say, I went down in the Glace Bay shaft for 900 feet where the mine goes under Sydney harbour, and I wondered to myself how much farther they were going to burrow there before they would, for economic reasons, have to quit? It was all very new and very wonderful to me. I noticed also that many of the miners lived in better houses, notwithstanding all that has been said, than I had lived in for twenty years. I saw beautiful shower baths there; you did not meet with many of those on the prairies in the first twenty years of its history. There was hardship, there always is hardship; the miners had a great many idle days, and there were a great many difficulties to be overcome. There is bound to be distress. There is distress there now, but I am not going to enter into that side of the question. What I want to point out is that the difficulties that could be remedied were few in number. The coal situation seemed to be one of them. The freight situation seemed to be another; the building up of the ports in the Maritime provinces seemed to be another. I could not help feeling that there was another difficulty there that nobody has said much about, and that is

the difficulty of getting a market for the potatoes of the Maritime provinces, not so grievous a situation at the time I speak of as it is now. The potato question was a difficult one for many years, but this year it was largely overcome by the system of certifying to the potatoes, which certification was so valuable that those products entered the United States, in spite of the duty, and good money was realized by the shippers. The difficulty in regard to the Maritime province ports was solved two years ago by the Minister of Finance through the medium of the preferential tariff. I am right in saying that difficulty is solved because now over 99 per cent of dutiable goods coming to Canada enter by our own ports. These are two difficulties out of the four that have been removed.

What is going to be done with regard to the mining difficulty? We have discussed the mining situation in this House every year since I came here. Two difficulties out of three have been solved, but the most acute one still exists. The Minister of the Interior has announced once or twice this session his plan with regard to the coking of bituminous coal from the Maritime provinces. Last year he announced a plan of subventions to permit of the transportation of Canadian coal much farther into the interior, and as a result of the increased demand to enable the miners to produce that much more coal. What more could we do? We could not keep on giving subventions. The Premier of Nova Scotia came up here at the head of a large delegation and interviewed the government. One of the most pressing requests he made was that the duty should be increased on slack coal. He pointed out that a great deal of fraud was being committed and I found out later that his argument in this connection was well founded. He charged that slack coal was being imported under the fourteen cent rate of duty and being mixed with run-of-mine under the 53 cent rate. He, therefore, asked that the duty on slack coal be raised to encourage the mining of that fuel. The Premier of Nova Scotia, accompanied as he was by a number of representatives of Cape Breton, presented a petition to the government on the question asking for that and other things. There was a very large delegation that entirely filled the railway committee room. They found that two or three of their grievances had been remedied before they had time to ask for their solution. However, the coal difficulty still remains. I do not take the ground that a national solution should always have to be discovered for a local difficulty, not at all.

[Mr. Motherwell.]

We were in the midst of working out some of the Maritime difficulties capable of solution when the present strike, or lockout, or whatever you choose to call it, occurred in these mines. The Besco people in the first place took the ground that they could not afford to pay the wages then prevailing. They had cut down the days of labour. There was not enough profit in it to be able to pay the wages the miners wanted, they got at loggerheads, and the whole thing was shut down, to the loss of all. What were we to do? The local authorities began to solve the distress question at the other end, and while this budget is a Canadian budget, it is essentially one designed to assist the Maritime provinces, not only in regard to coal but in regard to fishing industries and such like. We have adopted the policy of dropping the item of slack coal and lowering the duty on run-of-mine coal three cents; and otherwise we adjust the tariff, put it up on slack coal if you like, which represents about three million tons, and put it down on run-of-mine which represents about eleven million tons. Already in this House the hon. member for Kent, New Brunswick (Mr. Doucet) has reprimanded us for reducing the duty on run-of-mine coal. We have reduced the duty on run-of-mine coal and run up the duty on slack coal, removed it altogether from the tariff schedule, and put a straight fifty cents on the run-of-mine coal. Someone asks on what percentage would that be on the slack coal? There is no percentage in it. I do not know the price of coal, but it is not levied on the price. Hon. members can soon figure it out. It is a comparatively easy matter. It is a duty of fifty cents per ton. That is done with a two or threefold purpose. One is to encourage the Maritime province miners in the desire to reach further out into the markets of Ontario and Quebec. That was the original conception of confederation; and after violating the spirit of that contract at confederation, by taking away from them those special freight rates that they had all those years, and putting them into the consolidated system, then, if you are going to carry out the policy I have mentioned, of taking care of the smaller provinces, you must do something to compensate them for the thing that they had at confederation and which they lost.

Mr. LADNER: May I ask the minister a question?

Mr. MOTHERWELL: Has the hon. member received another radio message?

Mr. LADNER: From the way the minister was speaking I thought perhaps he had re-

ceived a message. I wanted to ask him if the granting of higher protection on coal to aid the Maritime provinces had his personal approval. We understand that from his remarks.

Mr. MOTHERWELL: Most decidedly. The tariff was made for man, and not man for the tariff. What is the tariff? Taxation. We will put it the other way. Taxation unfortunately is made for man and man is not made for taxation.

Mr. MEIGHEN: How does the minister hope to help the Maritimes by more taxation.

Mr. MOTHERWELL: It will not be taxing the Maritimes.

Mr. MEIGHEN: Oh.

Mr. MOTHERWELL: The manufacturers of Ontario and other parts of central Canada who insist upon their pound of flesh in the way of protection will have to pass some of it over to the coal mines. What is sauce for the goose cannot be too horribly bad for the gander. And so we deal with the Maritime provinces. As far as I can understand, we restore to them the protection they had when the fourteen cent rate was put on. That was put on what was then seventy cent coal and was equal to a twenty per cent ad valorem. We cannot tell, there is no item there, but I do not know what slack coal is worth now. Have we not restored it?

An hon. MEMBER: No, no.

Mr. MOTHERWELL: Have we restored to the people down there the same ad valorem duty that they had when the fourteen cent rate was put in? By reason of the increase in the value of the commodity that fourteen cent rate was getting less and less on an ad valorem basis. Perhaps I should have gone into it to find out the exact price on which that was levied. I do not know my self to-day whether we are getting more duty. I question very much if we are giving more protection than we were giving when it was fourteen cents when we had seventy cent coal. We have restored what was slipping away from us year by year as a result of the increased value of slack coal. Was that such a whale of a lot to do for them? I am one of those who believes that that is going to bring some redress. If the mines down there can be made more profitable it should benefit the labourer. I have hired too much labour in my time to be told that when an institution is profitable some of that profit will not go to the labourer. I know it will go to the labourer. I have hired labour all my life, and when I make money some more of it goes to my labourers. When I do not make money I have to make a hard bargain with my labourers if I am going to carry on. Everybody who employs labour knows that. I do not care who the Besco people are, I would not care if they were twice the steel corporation they claim to be, in their self interest they will keep their mines going if it is humanly possible, and if they are able to secure something better than they have had, if this is increased protection, and if they are enabled to carry on and make more money, part of it will go to the miners, and they will get to work and the trouble will be at an end. I am not accustomed to people going on strike. I am accustomed when a man will not work for me to have him quit and go somewhere else But that is not the way of organized labour. Now how are you going to improve things for the Besco people or for the miners? I have talked with a lot of miners who are not in favour of the strike. I have been in the mines and know some people there, and I know there is great distress there while they are on strike. Human nature is the same thing the world over. The local authorities are working with us from their own standpoint, and incidentally we are helping them from our standpoint. I would ask the Progressives, particularly those from the west who have been working in co-operation to some extent with the Maritime and eastern provinces during the last two or three years, especially the Maritimes, when the Crowsnest pass question was up, who were standing by the western men back on the prairies stronger than the Maritime province men or stronger than the Island men, and again when we were trying to work out the compulsory wheat board clause after the war was over? They said let the west have it if it is going to do them any good. Last year when nearly all the changes were favourable to the western men did anyone see any one of the Maritime men gag at it? Those from Ontario did some squirming about. They stood up for their rights. But one hon. member stood out too strongly, the gentleman from St. Antoine, he resigned and he was sorry afterwards. But it shows that we went as far as we could, as far as public sentiment would allow. In fact, we went so far that even one of the Progressive group voted with the Tories. The Maritime men stood to a man behind the west.

Long before I had the honour of coming to this House, I often wondered what evil

genius possessed the people of the three prairie provinces and of the three Maritime provinces, whose interests as regards the tariff and many other things are almost identical. I question if there are in this House sounder and more practical men on the tariff than those from the Maritime provinces. Why do we not have some more fellowship and understanding with each other when we have so many interests in common? The same is true of rural Quebec. Indeed, as a matter of fact, you might say that it is practically true now of almost all Quebec and I hope that will continue to be the case. Here is an oportunity for the men on the prairies to reciprocate. They say that they are in favour of reciprocity, but let them not say that they are in favour of it only if it is all their own way. When something is to be done for the Maritimes, let them have their protection. When protection ceases to be in existence in the Dominion of Canada, then they may cast a stone at this in the Maritimes. I do not know whether protection in Canada will ever cease or not; but if the west refuses to accept this budget on the ground of what is claimed to be high protection on coal, but which was agreed to by Premier Greenfield and many others in the west and as regards which the only kick came from protected Ontario, I am afraid our western friends are losing an opportunity of showing a reciprocal feeling for the Maritimes, for what the Maritimes have been prepared to do for the west at every opportunity since we have come down here. Is that a right attitude to cultivate as regards the Maritimes? Should men with common interests not work together in unison? When the delegation from the west went down to the Maritimes, as I read their after dinner speeches and learned of the good times they had, I understand their hearts went out to the Maritimes Did you see, Mr. Speaker, the accounts in regard to the delegation from the Maritime provinces that went to the west? Certain newspaper representatives from the Maritimes went through the western country. All our leading journals held out the right hand to them and were willing to solve their problems in any way humanly possible, because we felt that they were suffering under adverse conditions and we were willing to help them. Personally, I have been here long enough to know that we are all going to vote on this budget to suit our own interests We are all keeping an eye on the folks back home. Sometimes we do not do so but we should. There is another broader vision even than that. Are we going to shirk this first opportunity of working out in harmony with the eastern provinces, an incidental solution of this difficulty in Glace Bay, or are we going to refuse to reciprocate? I leave that there, feeling assured that possibly the difficulties may be solved. I understand my hon. friends' difficulties. We have all been born and bred, I was going to say, to hate protection, and it is hard to get over our early training. But as long as it is here—and it is here—some of these distressed places are surely justified in saying: Give us a little of what seems good for us, particularly when it saddles itself on to the protected industries of Ontario, and, if you like, Quebec. Is that a satisfactory answer to my hon. friend? Have I been candid enough?

Mr. MEIGHEN: I think the minister has been as amusing as he ever was in his life.

Mr. MOTHERWELL: I am glad to know that I have entertained if I have not instructed my right hon. friend. A person that has to go into the realms of the valley of dry bones requires some enlightening, and if I have succeeded even in entertaining him, I think I have done pretty well. But getting back to this more serious question, I do not want to refer to the well-intentioned efforts of some members of this House to assist in solving that question. I might refer to la belle représentante for Southeast Grey (Miss Macphail) and her efforts which were nothing but good. I have only words of approbation for her good intentions, but the matter was one primarily for consideration by the local authorities. We are doing our part. Are you going to mock at it because you think you scent an element of protection in it when we are surrounded by the same element?

Mr. WILLIAM IRVINE (East Calgary): Mr. Speaker, making a speech on the budget at this time of night is naturally enough rather a dry thing to do, and it is certainly deliciously refreshing to have had three hours' enjoyment of the kind that we have just been given by the Minister of Agriculture (Mr. Motherwell). I have listened to his speech with some interest and a good deal of amusement. I would say that after having listened to him making a prolonged speech on the Petersen contract and another prolonged speech on the budget, the Liberal party in the

10 p.m.

Minister of Agriculture has certainly waked to ecstacies the living lyre. He is certainly a very genial personality. He has the saving grace of humour. I believe he has a very excellent knowledge of agriculture. I believe he is also a very good administrator, but in matters of economics and of politics, he is not

seemingly quite so happy. He has likened himself unto a little boy with a slice of bread with some jam on it. He has played for at least an hour amongst dry bones in a bone yard. I think if he had stayed in the bone yard and not visited the coal mines in Nova Scotia and if he had kept away from Hudson bay, it would have been better for the party for which he was speaking. He reminds me of a river that, I believe, runs into Hudson bay, a river which is said to be one inch deep and a mile wide at the outflow. I would not like to undertake to navigate the treacherous shallows of that river, nor to launch out upon the bosom of the discussiveness of my hon. friend without the piloting power of the Prime Minister (Mr. Mackenzie King) armed with the chart of the Liberal party.

There is very great danger of speeches of the character just delivered by the Minister of Agriculture becoming merely words. It may be that what I have to offer myself will be characterized in a similar manner. It may be that I shall add little more to the already disturbed ocean of words, an ocean bestrewn with derelict proposals. I think it was Thomas Hobbes who remarked that "words are wise men's counters; they do but reckon with them, but they are the money of fools." I hope that we shall not inflate the currency overmuch before the debate is through.

An hon. MEMBER: Hear, hear.

Mr. IRVINE: I am glad to notice that one hon gentleman opposite has taken my counsel to heart. It is something of an ordeal for any one of us to make a speech in parliament and perhaps it is a little more so when one speaks on the budget. I have heard gentlemen who have had a long experience in and close connections with parliament deplore the passing of the great orators from Canadian public life. I do not know whether there is anything in that reflection. It may be that the style of oratory peculiar to the days in which we live is so distinctly different as to be considered by men of the older school as not rising to their conception of what real speeches should be. But I am not so sure that there is not a little more in the reflection than that; it is just possible that the suffocating influence of highly developed partyism has some effect upon hon. members of this House. I believe that an ordinary individual can make a fairly good speech even on the budget if one of two conditions is present: if on the one hand there is a very strong opposition or if on the other there is considerable sympathy. But when we have neither opposition nor sympathy, and when the clammy hand of cold indifference grips an hon. member, even the most ambitious man in the House is stifled. I do not think therefore that, unless an individual member should happen to be a student both by habit and by nature, there is any opportunity afforded in this parliament for encouraging a man to go into any very extended research work or to attempt to do any deep studying even on matters of public importance. This budget is more discouraging in this regard than perhaps any other. The Minister of Agriculture (Mr. Motherwell) has been talking a great deal about dry bones. It seems to me that the budget debate is but the rattling of the dry bones of issues long since dead. And that I think has been the character of the speech we have just been listening to. It is true that here and there we have heard a feeble echo of the great minds of the past; and on occasions the hon. member for Brome (Mr. McMaster) faintly echoes Cobden and Bright. But apart from that hon. members opposite have not so far given us any constructive thought, anything which would approach that initiative, that daring conception which ought to be characteristic of the representatives of a new country like Canada, and especially at a time like this when we are supposed to be standing on the threshold of a new era.

I want to comment on what would appear to be the reason for this stultifying, suffocating influence in parliamentary life. It is a well know axiom that a force cannot be destroyed; and the thoughts and feelings of individuals are natural forces. These thoughts seek expression in action and when they do not find such expression, being also indestructible, they are apt to develop political monstrosities; in other words, there is a tendency to develop politicians rather than statesmen. Thoughts and feelings which end only in words debilitate the emotions and overshadow the mind with deadly pessimism. Where is the fine idealism which flamed so warmly at the opening of this parliament? These children of our dreams are for the most part banished from their rightful parents. Some of them have been chained to political expediency, others of them have been shut up in caves of despair; a few of these ideals still make their unwelcome appearance in debate. I fancy I hear some hon. members say, "Oh yes; that idealism which some of the Progressives as well as some hon. members of the other groups tried to give expression to when they first come into parliament! That idealism! No wonder it is dead; it ought to be dead, because

idealism has no place in a practical institution of this kind." Parenthetically I would remark in regard to that attitude of mind, which I know is characteristic of very many hon. gentlemen, that the impractical is usually that which a stupid person is afraid to put to the test lest it might be found to work. For some to say that such and such is impractical is often the highest compliment that could be paid a proposal which is thoughtlessly dismissed, and it is at the same time the severest indictment of those who sit in judgment upon that proposal. The enthusiasm and idealism to which I have just alluded are manifestations of natural forces seeking to express themselves in action.

But the one thing that parliament seems to avoid more than anything else is action. I have been astounded at the repertoire of excuses from which the present government has been able to draw in the last three or four years; I have been astonished when I have compared their manner of receiving resolutions, suggestions and bills in this House with the most democratic and glowing programme which they themselves drew up and expounded in their appeal to the people of Canada in 1921. I say I have been very much surprised at the agility of their movements and their resourcefulness in finding excuses to get away from their own promises. When it comes to labour matters the government has most decidedly ignored every protest and every appeal that has been made. For a long time the Minister of Labour (Mr. Murdock) has thrown the British North America Act at our heads whenever we have made a proposal. When the right hon. leader of the opposition (Mr. Meighen) successfully disposed of that excuse during the discussion on the Nova Scotia distress the Minister of Labour, resorting to what we might call political etiquette, declared in the case of the miners of Nova Scotia in particular that it would be bad form for this parliament to do anything under the circumstances. Other things might be mentioned to show the unconcern of the government with Labour matters such as—I was almost going to say, quibbling in committees over the scope of a reference and so forth; parliament seems to try to do everything but take action. So I say it is not surprising that we find the psychological conditions which I have spoken of in this House. But there is one ambition which is fitted to survive in parliament, and that is the ambition to obtain power. For the present I am not criticizing that ambition; it may, indeed, be a noble one. But I merely comment upon the fact that the desire or the ambition to attain power peeps out of every argument. Perhaps the words of Milton's Satan appraised the situation admirably:

> Here we may reign secure, and in my choice
> To reign is worth ambition, though in hell:
> Better to reign in hell, than serve in heaven.

Of what member of a party or of what party might it not well be said:

> But man, proud man,
> Drest in a little brief authority,
> Most ignorant of what he's most assur'd,—
> His glassy essence,—like an angry ape,
> Plays such fantastic tricks before high heaven,
> As make the angels weep.

The hon. member for Brome (Mr. McMaster) who I am sorry is not in his seat at the moment; whom I have characterized as the exponent of Cobden and Bright; who in his enthusiasm for the free trade theories of old times has become the most conservative mind perhaps in the House on that subject, has found himself on this occasion in a very difficult position. I use the position of the hon. member for Brome as a means of illustrating what this desire for power on the part of parties sometimes leads an hon. member into. The hon. member for Brome, honoured, I am sure, by every member of this House, whose clearness of thought and integrity of character no hon. member who knows him will question for one minute—what position does he find himself in with regard to the budget that he is asked to vote upon? He finds himself in this position: he is asked to vote on two questions at the same time, and he has only one vote for the two. These two questions are, stating them very briefly: will the hon. member for Brome vote for an increase of the tariff on slack coal, or will he vote against the government? These two things have no connection; they are almost at the opposite poles, but he has to get them settled in some way with the one vote. Now the hon. member for Brome is an ardent free trader by profession. In his speech on the budget of this year he gives us the crystal-clear principles of Cobden and Bright and John Stuart Mill. There is no doubt about the philosophy of free trade so far as the speech of the hon. member for Brome is concerned. But he turns from his principles to criticize this particular item in the budget, the raising of the tariff on coal. He says virtually that he is opposed to raising the tariff on coal, but notwithstanding the fact that he is opposed to raising the tariff on coal; notwithstanding that he is a free trader, he is going to vote for a budget which raises the tariff on coal because he does not want to defeat the government. What does that mean? I do not know of

any hon. member who could better illustrate the situation than the hon. member for Brome, for the very reason that I have given, namely, that of his unquestionable integrity of character. Here he is on the horns of a dilemma, and, I say, notwithstanding his devotion to free trade he says he must vote first to save the government and vote for free trade at some other time or at some more convenient season.

Now, the major parties in this House, naming them in turn, are the Liberal party, now the custodians of office; the Conservative party, the official opposition; the Progressive party to my right; then, the other party which awaits the next election to be christened; then the Labour party, of which I am the biggest part—that is, to say, Mr. Speaker, excluding my leader. The Liberal party at present enjoys this power, the opposition party and the Progressive parties both aspire for power. The Labour party does not aspire for power. The obvious answer, I know, in your minds is that even with very keen imaginations, which we have been charged with on some occasions, we could not even visualize that for labour in this country at the present moment. But that is not really the answer. The real answer is that we do not believe that any party or any class or any group should have power; that the power in any country should be co-operatively wielded; so on principle I say we do not look for power even if from our political development we might be justified in expecting it. Therefore, Mr. Speaker, I am in this position as representative of labour, neither desiring power nor being within the possibility of reaching it; I have to turn first to one party and then to the other, examine their programme, examine their policies, examine their records, examine their leaderships, to see which of them in my opinion would be most favourable to the people I represent; to see which, by virtue of their leadership and administrative power and policy, would, in my opinion merit the support of the Canadian people. So I begin to examine these parties just before coming to the budget itself, and I want to deal first of all with the government.

I cannot be so gracious with the government as the hon. member for Brome was in his closing remarks. He feelingly quoted the immortal bard of Scotland to the effect that we should gently scan our brother man—I forget the actual quotation; at any rate the suggestion was that we should adopt a sympathetic attitude toward the government. In that connection I want to quote just another passage from the same great poet that is really more applicable inasmuch as it was actually written for parliamentarians. He says:

> Stand forth, an' tell yon Premier youth
> The honest, open, naked truth:
> The muckle devil blaw ye south,
> If ye dissemble!
> In gath'rin' votes you were na slack;
> Now stand as tightly by your tack;
> Ne'er claw your lug, an' fidge your back,
> An' hum an' haw;
> But raise your arm, an' tell your crack
> Before them a'.

Seeing that I do not happen to be embarrassed as the hon. member for Brome is, I can tell my crack before them a', and so I ask the government, first, what they have to offer in return for the power which they now enjoy, and which I have no doubt they will be seeking to continue at the next election whenever that may come. I would like to be very gracious in my criticism. The words of an unknown author come to my mind: "I can expect to pass through this world but once. Any good therefore that I can do or any kindness that I can show to my fellow creatures, let me do it now. Let me not defer and neglect it, for I shall not pass this way again." I think that is a fitting quotation before one emerges upon the precarious course of criticizing a government, especially on a budget that may be the last of this parliament.

I desire to affirm, that the government that is now in office is far below the average of Canadian governments. I have not been able to find one outstanding achievement to its credit. I know that the administration has gone on in the ordinary way, except when it was interfered with by some of the ministers perhaps; that is to say, the deputy ministers have been doing the work, as they will do after the next election and after the one after that. But when it comes to any daring legislation that would measure up to the verbose promises of pre-election speeches, I look in vain for anything whatsoever. I think perhaps the government can be described as mediocre. There has been no outstanding thing to put on the credit side of the balance sheet, but there happen to be some very outstanding things to be put on the debit side. I have already had an opportunity of criticizing one of those outstanding proposals which must go on the debit side, and perhaps if it survives the committee, we may have an opportunity of dealing with it again. I refer to the Petersen proposal.

There are some other outstanding things to be put on the debit side of the balance sheet,

and that is some of the items in the present budget. Perhaps the raising of the tariff on slack coal, which personally I am very glad to see done, is the best thing that is in the budget, but seeing that is the best thing that is in the budget, I think the government ought to have the generosity to give credit to the right hon. leader of the opposition and his followers for showing them how to meet the situation in the eastern provinces. There can be no doubt that the leaders of the government have argued that the best thing for the workingman was to reduce the tariff, and that by reducing the tariff they would reduce the cost of living. I am not now questioning their reasoning at all. What I am doing is questioning their sincerity when they say that to the people outside, and then come back to parliament, and when they have a really difficult situation to deal with, the only way out of it they can find is to raise the tariff on coal to 50 cents per ton. Since on a labour matter the government that preaches free trade practises protection as a remedy for labour difficulties, I think the least that the government can do is to give credit to the hon. gentlemen who have the courage to say they stand for protection. That is due to the opposition in common courtesy.

I am reminded of a story in describing this government's policy. A negro woman was taking her child to a circus, and the child had a nickel, which, like most other children, it was very anxious to spend. Seeing a merry-go-round the child proposed to the mother that the nickel should be spent on a ride. But the mother was a little more careful of her nickels, and opposed the idea. Finally, however, for the sake of peace she yielded to the importunity of the child and put him on the merry-go-round. The mother stood there until the circuit had been completed, and when the merry-go-round stopped just where she had put the child on, she lifted him off and said, "Now, yo' am spent your nickel and yo' am had your ride, but where hab yo' been?" The government has had office; it has expended public funds; it has had its innings of power; but what has it done? Where has it been? What has it accomplished? We will have to have another speech from the Minister of Agriculture to tell us what are the achievements of this government. I will have more to say of the government's attitude when I come to consider the budget in detail.

Now I must turn from the government and have a look at the next party that is aspiring for power, the Progressive party which I believe is the next largest party in numbers, and I have to ask, what has the Progressive party to offer from the labour point of view? In making this criticism, Mr. Speaker, I hope it is unnecessary for me to remark that I fully appreciate that the hon. gentlemen who sit to my immediate right are very high-minded and sincere gentlemen, that in very many respects they think as I do. I want to say also that many of them I regard as personal friends. More than that, some of the hon. gentlemen to my right are men of mind and culture and ability, men who some day we will perhaps find holding the highest offices in the land. These things, I hope, my hon. friends to my right will take for granted, notwithstanding the fact that I am going to criticize the Progressive party. When I criticize the Progressive party I do so as I have criticized the party opposite. I criticize it from the point of view of the aims of the party itself, the policy it seeks to enforce in the House, and what I as a representative of labour may expect from it were it returned to power at the next election. I know that some hon. members have prognosticated that this party is not coming back. I do not feel so sure of that, nor would I feel particularly happy to contemplate it. I am not very sure about coming back myself; I cannot make any prophecy of that character at all. I hope they will all come back so far as that is concerned, that is if they have got anything to give us when they do come back. But for the present I am going to criticize the Progressive party. That party took its place in this parliament on a certain programme which I will refrain, in my generosity to my hon. friends, from reading again. But I may characterize them as tariff haters. They hate the tariff very much on occasions; sometimes they do not hate it quite as bad as at other times. But I would say that Don Quixote tilting at a windmill is not any more ludicrous than the Progressive party tilting at a moderate tariff in the idea that they have found the solution for the economic problems of Canada in 1925. I have noticed that the leader of the Progressive party has registered his disapproval of the present budget.

Mr. KELLNER: Did not your leader move the Progressive tariff platform as an amendment to the budget last year, and did you not support it?

Mr. IRVINE: I am very glad that my hon. friend has called to my mind something I was not likely to forget. I hope before I am through, Mr. Speaker, that I will satisfy my hon. friend on that point. If he will permit me just to postpone his question for a few minutes I will answer it in its proper place

in my speech. If I fail, if I should happen to forget the question which I do not think I shall, I hope he will ask it again. I was saying when my hon. friend asked me the question that the leader of the Progressive party has registered his disapproval of the present budget, and I was wondering why. Why has he disapproved of this budget? This budget is just about as good as the last one, in fact I think I might just quote one passage from the speech of the leader of the Progressive party in the House a few days ago to prove this contention. The hon. gentleman said on that occasion:

> I think in commencing that I might characterize the budget as I have seen it characterized in the press—as a stand-pat budget, adopting the position "just as you were" and really leaving us in exactly the same position in which we found ourselves at the commencement of the year—no progress, nothing changed, we are left in the exact position we have been in during the last twelve months.

Well, this means that the budget which is now before the House is to all intents and purposes exactly the same budget that the Progressive party voted for last year by the confession of their leader himself. Well, not only did the Progressive party vote for the same budget last year, but they actually voted against a reduction of the tariff as proposed in a resolution which embodied their own programme. Not content with that, I believe that not very long ago the leader of the Progressive party in a speech, I think it was in Hamilton, made a declaration that he was in favour of a moderate tariff. Well, now, Mr. Speaker, that is just exactly what we have in this budget. We have a moderate tariff, and it is because of its moderation that I am opposed to it. If it was moved either down or up it might be a permissible thing; but seeing that it is just a moderate tariff it presents to the people of Canada a fiscal policy which retains all the weaknesses and all the bad points of both free trade and protection. That is the reason why I oppose it now, but why the Progressive party should oppose it I am not quite so clear.

Mr. SPEAKMAN: In what respect does this budget differ from the budget the hon. member supported last year?

Mr. IRVINE: Again I will have to postpone my answer. I will answer my hon. friend at the same time that I answer the hon member for East Edmonton (Mr. Kellner) and it will be partly the same answer. The one will be negative and the other will be positive, and when we combine a negative and a positive we get something substantial. I regard the amendment of the Progressive party, therefore, as a gesture which I regret to see coming from the party that I had hoped would abandon the political tactics of partyism. I say it is a gesture because its supporters know very well it could not even get a hearing. They need not argue that in moving the amendment they would, perhaps, at least register a protest against the rules of the House, because that has been done already and we have started the machinery going to amend the rules of the House if they can be amended. So I say I regret that such a gesture should have been made. I regret to find no bright hopes in the Progressive party so far as labour is concerned, and I abandon my hopes of it very reluctantly. Many forward-looking people in Canada to-day see in the Progressive party as it now is a fitting epitaph for the tomb of a lost opportunity. Of that party it may well be said:

> There is a tide in the affairs of men
> Which, taken at the flood, leads on to fortune;
> Omitted, all the voyage of their life
> Is bound in shallows and in miseries.

That flood time has passed, the ebb has set in, and the Progressive party is now gasping and wriggling like a fish left stranded on the beach before the receding tide. There I will leave them while I deal with the opposition.

Mr. BANCROFT: You forgot to answer the two questions.

Mr. IRVINE: I will come to the two questions at another point, and I promise my hon. friend that I will not forget them.

Turning then to the official opposition, I want to ask what policy they have to offer. I think that all hon. members will agree with me, when I say, to begin with, that the leadership of that party is one of its greatest assets. As to what the policy of that party is I want to ask some very pertinent questions, and I hope that the right hon. leader of the opposition, who I regret to say was unable to place before parliament his policy as indicated in a resolution, will take my questions as seriously as I am offering them, and when he makes his speech in this debate will favour the House with a reply to them. I am not going to put my questions at the moment; I shall do so when I am dealing with that part of the budget speech under which they will more fittingly come. I believe that the opposition party stands for protection. Does it mean that? That is one of the questions which perhaps I might put now. Does the Conservative party mean to be really a protectionist party? I do

not believe that Canada has ever had a real protection policy. On these questions, however, I will be more pointed a little later on.

I come now to the budget itself. I was rather struck with the government's attitude in dealing with the economic conditions of Canada. The government seeks to make out that Canada is good, bad or indifferent, according to the immediate purpose which the government has to serve at the time of making the speech. At the time of the Speech from the Throne Canada had passed through a wonderful year of prosperity. When it came to the Petersen subsidy then Canadian trade was in a terrible shape. When the hon. Acting Minister of Finance (Mr. Robb) presented his budget he took occasion to comment upon the very unfavourable condition of trade and commerce that he had had to contend with, as a means of emphasizing how well the government of the day had financed, and so I say that if there was no other evidence as to what the real conditions of Canada are than that which we could obtain by reading the speeches of the ministers of the crown, I do not know what conclusion we would come to at the end of the year. But what are the real conditions? I could not even deal with them as lightly as I am going to deal with them if it had not been for the real enjoyment the House has had this afternoon and evening, and that may enable hon. members to take a very different kind of medicine with good grace.

May I draw attention to the growing national debt, and in this connection I want to quote a very brief financial statement. I know that the House hates figures about as badly as I hate giving them, and so I will not inflict very many figures on it. Dealing with the national debt, we have a gross debt in the Dominion, according to the Canada Gazette, of $2,940,099,008.

An hon. MEMBER: No, it cannot be.

Mr. IRVINE: Yes, and there are some cents to be added—to be specific, thirty-five cents,—an ominious figure for my hon. friend. I received these figures from the Finance department and I will give them to the House now. The figures are as follows:

National Debt

Gross Debt Dominion (Dec. 31/24 Canada Gazette)..		$2,940,099,008 35
Securities guaranteed by Dominion:		
As to capital..	$423,161,713 83	
As to interest only ..	167,349,218 72	
		590,510,932 55
		$3,530,609,940 90

National Debt—*Concluded.*

Funded and floating debt of provinces including guaranteed securities but excluding sinking funds (Canada Year Book, 1923, pp. 792-3)..		697,785,627 00
Funded and floating debt of municipalities of 10,000 and over (Can. Year Book, 1923, pp. 796-7)..	$ 622,301,440 00	
Funded and floating debt of municipalities of 3,000 to 10,000 (1919) (Can. Year Book, 1923, p. 803)..	51,642,287 00	
Funded and floating debt of municipalities 1,000 to 3,000 (1920) (Can. Year Book 1923, p. 805)..	32,700,840 00	
		706,644,567 00
		$4,935,040,134 90

Or $548 per capita at population 9,000,000 or average capital debt of $2,740 for family of five paid for in taxes annually.

With a financial statement of that kind the balancing of the budget appears almost humorous, placing it alongside of the national debt, which is growing gradually, in spite of the efforts of the government at economy.

Let us take next the stagnation in industry and business depression. The government I notice has been claiming great credit for having reduced the taxation of Canada fifty-two million dollars. That fifty-two million dollar reduction, according to government figures, has all been occasioned by the fact that we have had less business and less industry in Canada this year than we had last year. That fact has been brought out very ably by other hon. members. Then we have unemployment unparalleled, and suffering among workers. We had, for instance, a march on Edmonton recorded in the public press some short time ago. We have the Nova Scotia situation knocking at the doors of the government for alleviation. So taking into consideration the enormous national debt that is still increasing, the paralysis in the industrial and business life of Canada, the unemployment which perhaps has never been so severe as it is at the present time, and the actual distress from which many people are suffering while I am speaking —that represents the conditions in Canada after four years of the present administration. This will contrast unfavourably with the address of the Prime Minister when dealing with the Speech from the Throne, but will come nearer his description of conditions when defending the Petersen contract. I know the

conditions in Nova Scotia have been denied by some hon. members on the government side of the House, and just at this juncture I have a few words to say with regard to the reply the hon. member for Lunenburg (Mr. Duff) made to the speech of the hon. member for Southeast Grey (Miss Macphail). I of course have no apology to make for Nova Scotia in replying to the hon. member for Lunenburg. The industrial situation in Nova Scotia is merely an exaggerated sample of general industrial conditions throughout Canada. It happens at that point that it is a little more apparent than at many other points throughout the west and throughout other parts of eastern Canada. This condition itself is I consider a national disgrace, and if Nova Scotia is as offended as the hon. member for Lunenburg would make her out to be, I hope its offence will stimulate it to immediate action. and that the province will remedy the industrial conditions which are so oppressive to the miners of Nova Scotia at the present time. I do not wish to criticize the hon. member for Lunenburg (Mr. Duff) very much, because I notice that he is not in his seat and, besides, I really think, after the speech he made, he is more an object of sympathy than of criticism. The nemesis which followed him came very speedily. He tried to convince the House that the distress in Nova Scotia was not serious enough to attract the charitable interference of the general public. The greatest credit which is due to the hon. member for his speech will be found in the fact that not only did he fail to convince the House, but he gave the greatest evidence that he had failed utterly in convincing himself that conditions in Nova Scotia were not as represented by the hon. member for Southeast Grey. I have no first-hand information. I have not been at Glace Bay. I must speak from the knowledge which I have gathered from the press and from the reports of citizens like the hon. member for Centre Winnipeg (Mr. Woodsworth) and the hon. member for Southeast Grey. But when I am called upon to decide whether I am to accept as truth the conditions as depicted by those two hon. members or as depicted by the hon. member for Lunenburg, I have no hesitation in deciding that personally I accept the statement of the hon. member for Southeast Grey and that of my leader from Centre Winnipeg. To answer the main contentions of the hon. member for Lunenburg after what has transpired in the last few days would be comparable to the whipping of a dead carcass, because he has received his answer very thoroughly. It came to him very speedily. In fact, before he had his breakfast next morning, I think he had his answer from representatives of the people in Glace Bay. He had his answer from interested, public-spirited officials throughout the province of Nova Scotia. He had his answer from his own sister whose appeals went out for aid to the suffering multitude of his own province. He had his answer from all parts of this country through the press. In fact, I do not know of any statement that the hon. member for Lunenburg made that has not been answered out of court already. Even his statement with regard to the Nova Scotia legislature and its taking action has been answered, for I understand that government has at last decided to give $20,000 for relief.

But there is one more point dealt with by the hon. member for Lunenburg upon which I desire to comment. He tried to place the whole blame for the distress in Glace Bay on the mayor of that town, who happens, I understand, to be a labour man. If hon. members are interested and will look up page 1774 of Hansard of April 1, they will find the statement of the hon. member for Lunenburg dealing with that phase of the question. He argued that there was a certain law respecting the borrowing powers of municipalities, and that it was not necessary for the municipality concerned to get legislation to enable it to make loans to relieve the starving people. But here is the answer to that. In making the speech, he said that the hon. member for Southeast Grey should get better information. I ask: Who requires to get the better information—the hon. member for Southeast Grey or the hon. member for Lunenburg? This despatch will give the answer to that question. It is a despatch from Glace Bay of April 6:

> At a special meeting of the Glace Bay town council it was decided to apply for legislation to empower the town to extend its overdraft at the local banks by $80,000. This step is rendered necessary by the financial condition resulting from the tie-up in the coal mines.

That is the final and crushing answer to the last point of the hon. member for Lunenburg.

Let me recapitulate my summary of the economic conditions in this country. There is the increase in our national debt; a business depression and an industrial paralysis that have become chronic under the attention of this government; and most alarming of all a wide-spread unemployment, not only in Nova Scotia, but in many other parts of Canada. In view of these facts I must say that the present government has no policy of any real

11 p.m.

value to labour. But I cannot refrain at this point from turning to the programme of the government with regard to labour. I think, in fairness to the government and also in fairness to labour, that may be asked in the near future to support the government with such a glowing programme as this happens to be, I ought to read the programme. In this Speakers' Handbook, prepared by the Liberal party and decorated on the front page with the picture of the Prime Minister himself I find the programme of the Liberal party and also the sister programme of the Progressive party, both within the bounds of the same volume. I find here what purports to be the Liberal party's programme for labour.

Mr. MARTELL: That will be unitarian, will it? If the Liberals and Progressives were put together, it would be unitarian almost if you add a third party to it.

Mr. IRVINE: I hope my hon. friend's suggestion will turn out to be true in the interest of both parties concerned. The resolution on Labour and Industry, which I find in this volume, constitutes the programme of labour as laid down by the Liberal party in 1921:

Resolved, that the committee recommends that the National Liberal convention accept in their entirety as a part of the Liberal platform, in the spirit they have been framed and so far as the special circumstances of the country will permit—

These I believe, in terms of poker, are called jokers.

—the terms of the Labour convention and general principles associated with the League of Nations and incorporated in the conditions of peace.

These methods and principles for regulating labour conditions so set forth in the treaty are as follows:

1. The guiding principle that labour should not be regarded merely as a commodity or article of commerce.

I wait for the government to tell me in what way and when during the last four years it has actually taken labour out of the market as a commodity. I think the surplus labour of Nova Scotia at the present time is in about the same position as a factory filled with manufactured goods for which there is no market. There is no alteration, there is no indication of any policy that would alter that condition.

2. The right of association for all lawful purposes by the employed as well as by the employers.

I think I must stop to make a remark about that plank. Hon. members will recall that last year when the leader of the Labour party moved in the committee on Banking and Commerce and, if I mistake not, on the floor of the House as well, that the bank clerks be allowed the privilege of organizing and forming a lawful association such as we have set forth in this plank of the Liberal platform, the government rejected the proposal. Did they give these people the right to organize? —a small thing to ask for. Why should they refuse the bank clerks this right? Even in this picayune thing the government refused to meet this class of labour.

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

Take the government's own figures in regard to this plank; take the cost of living in Canada to-day as estimated by the government itself. Take the average income of the wage earner and then let hon. gentlemen answer for themselves the question I am about to put: How has the government of the day implemented this promise to labour? How has the government brought the earning power of the working people of Canada up to a level with a decent standard of living?

4. The adoption of an eight-hour day or a forty-eight hour week as the standard to be aimed at where it has not already been attained.

That was very largely established before the government came into office. Certainly I know of no instance where the government has put it into operation.

5. The adoption of a weekly rest of at least twenty-four hours, which should include Sunday wherever practicable.

On this plank the government has come nearer fulfilment than on any other. It has given not only a twenty-four hour rest but a three hundred and sixty-five day rest to hundreds of people in this country.

6. The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.

Again I ask the government or someone speaking for them to tell me what they have done in this regard. They have undoubtedly encouraged the bringing in of children from Great Britain and possibly from Europe, but as to what wages they are paying these children and what protection they have afforded them, that is a point on which I am not clear.

7. The principle that men and women should receive equal remuneration for work of equal value.

Where has that been implemented by the government? Have they put it into operation in connection with their own staffs in the Civil Service? Have they put it into operation in this House? I again must await the reply of the Minister of Labour (Mr. Mur-

dock), if he can tear himself away long enough from the British North America Act.

Mr. MURDOCK: Does my hon. friend not know that neither this government nor the preceding government has had any authority in fixing the wages of civil servants, that authority being entrusted under a specific law to a commission which has exclusive jurisdiction in the matter?

Mr. IRVINE: The reply is such as I anticipated. The minister states that the government has no power to deal with the wages of civil servants. He has also told the House on numerous occasions that the government has no right to interfere with the labour conditions of other provinces. Since, then, the government has no right nor power to interfere in matters of labour I want to ask two questions: Why have we a Minister of Labour at all and why does the government put this plank in its platform? It is absurd to put forth such a plank as this as a bait to the working people of the country and then to stand up in this House and say that the government that published it has neither the power nor the inclination to implement it.

Mr. MURDOCK: We shall be quite agreeable to having a real labour man discuss that question.

Mr. IRVINE: I am very glad that the hon. member admits, as he feels in his heart, that he himself is not a labour man and suggests that we ought to have one somewhere near to whom a question of this kind might be put. Let me proceed with the next proposition.

8. The standard set by law in each country with respect to the conditions of labour should have due regard to the equitable economic treatment of all workers lawfully resident therein.

I need not comment on that.

9. Each state should make provision for a system of inspection in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the employed.

But what would be done with the British North America Act while this parliament was arranging for women to make "inspections"? We should have to apply for an amendment to that act. And note this, Mr. Speaker:

And further resolved:

1. The introduction into the government of industry or principles of representation whereby labour and the community, as well as capital, may be represented in industrial control, and their interests safeguarded and promoted in the shaping of industrial policies.

That sounds like an excerpt from a volume known as Industry and Humanity; it certainly breathes the same spirit and adumbrates the same fond hopes. But beyond that it means nothing to the labour men of Canada.

2. That in so far as may be practicable, having regard for Canada's financial position, an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability, which would include old age pensions, widows' pensions, and maternity benefits, should be instituted by the federal government in conjunction with the governments of the several provinces.

Now there is a programme which would raise the standard of living to a great many people in this country, a programme which would be of material benefit to labour. But it is a programme; that is all we can say for it—a programme which has become a chart, a chart with the rather uncommon characteristic of being able to change itself whenever the occasion demands, so that when there is a rock ahead it is moved off the chart, so to speak, in the hope that in this way the rock might be avoided. What should be done, however, is to alter the course of the ship of state:

3. The representation of labour on federal commissions pertaining to labour matters.

I do not know that we have had any of these commissions.

4. Effective legislation for the conservation of human life and health.

I have not noticed anything of that kind.

5. The representation of labour on the Board of Directors of the Canadian National Railways.

In this regard I believe the government made good its promise.

6. That the system of re-training soldiers, unfitted for their past work because of physical injuries, be extended to disabled workers in industry.

I know of no such practical work carried on by the Dominion government.

7. More effective restriction of Chinese immigration.

I do not know that this has been implemented by the government, although the efforts of the hon. member for Comox-Alberni (Mr. Neill) may have had some effect. But I understand that there are ways of getting Chinese into the country which seem to escape the eyes of the government.

8. The federal incorporation of co-operative associations.

I hope the Minister of Labour will tell us how many of these have been incorporated.

9. The acceptance of the principle of proportional representation.

I have no doubt it has been accepted, but if it has been accepted it has been kept a secret by the government, for it has not been given to the people of Canada.

10. Immediate and drastic action by the government with respect to the high cost of living and profiteering.

Where is that drastic action? Where is that immediate action? What does the government mean by immediate? What does the government mean by drastic? Are these words in English, or in some foreign tongue? Have I got the right, then, to charge the government at this moment with a failure to implement their programme; to say either that they went to labour without sincerity at the time or that they somehow have absolutely failed to carry out these pledges? Which of the two is it? I do not know, but I do know that they have not carried this programme out. I quote further:

11. Restoration of the control of the executive by parliament and of parliament by the people through a discontinuance of government by order in council and a just franchise and its exercise under free conditions.

I refer to but one thing in that paragraph. I have noticed that this government has put forth orders in council. I have noticed that we have the same domination by cabinet in this government that we have had in other governments. I notice, too, that this government has resorted to a kind of closure which is much more undesirable than that which the present opposition introduced. That is to say, when a difficult resolution comes before this House the government talks until about this time of the night and then moves the adjournment of the debate, so that the closure is applied not only to the debate but to the decision as well, and we hear no more of it. That is the way, especially on labour matters, that this government implements its promise with regard to democracy in the "control of the executive by parliament" and the abandonment of orders in council for democratic legislation.

Now, Mr. Speaker, having made the introduction to my speech, and seeing that it is ten minutes past eleven I beg to move the adjournment of the debate.

Mr. ROBB: I understood that the whips had agreed that my hon. friend should complete his speech to-night. Of course, I have no desire to force him along; I am just as anxious to go to bed as he is.

Sir HENRY DRAYTON. Let us go.

Mr. ROBB: How much longer would my hon. friend take?

Mr. IRVINE: I am half way through, Mr. Speaker. I do not think there should be any objection to the adjournment, seeing that the hon. Minister of Agriculture (Mr. Motherwell) took three hours to-day.

[Mr. Irvine.]

Motion agreed to and debate adjourned.

On motion of Mr. Robb the House adjourned at 11.15 p.m.

Wednesday, April 8, 1925

The House met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

VANCOUVER HARBOUR COMMISSION—ELEVATORS

Hon. Mr. STEVENS:

1. In reference to Vancouver Harbour Commission elevator No. 2, what was the cost of the elevator complete, including all facilities and equipment necessary for the receiving, cleaning, storing and shipping of grain?
2. How were equipment and supplies for construction of No. 2 elevator purchased?
3. Were tenders called for all equipment?
4. What was the cost of the dust collecting system, No. 2 elevator?
5. What was the cost of the sheet metal work on No. 2 elevator?
6. What was the cost of the track receiving shed complete on No. 2 elevator?
7. What is the maximum electrical power required to operate No. 2 elevator?
8. What power is represented by motors now installed in No. 2 elevator, including track shed, conveyor galleries, etc?
9. When did No. 2 elevator commence operations?
10. How much grain has No. 2 elevator handled to February 28, 1925, inward?
11. What was the amount of payroll of No. 2 elevator from August 31, 1924, to February 28, 1925, including also: (a) Interest on investment; (b) Sinking fund; (c) Amount chargeable to No. 2 for superintendency, and all overhead?
12. How much grain has No. 2 elevator shipped during its operation until February 28, 1925?

Hon. Mr. CARDIN:

1. To last engineer's certificate:

Foundations	201,991 00
Superstructure	1,252,477 74
Car unloading	231,290 48
Total	1,685,759 22
Ball pier galleries	568,418 71
Substation	163,542 06
Total	731,960 77

2. By tender.
3. Yes.
4. $16,305.00, last engineer's certificate.
5. $79,942.52, last engineer's certificate.
6. $231,290.48, last engineer's certificate.
7. 1,935 H.P.

8. 2,950 H.P.
9. November 22, 1924.
10. 3,982,117 bushels.
11. $29,134.03; (a) $7,900.00 to operation; (b) $6,780.00 to operation; (c) $23,715.29.
12. 2,309,152 bushels.

Hon. Mr. STEVENS:

1. When was the Vancouver Harbour Commission elevator No. 3 to be completed in accordance with terms of the agreement with the British Oriental Grain Company?
2. Has the said elevator been completed and turned over for operation, if so, when?
3. What engineer drew the plans and designed the extension of harbour commission elevator No. 3, and on whose authority and instructions did he act?
4. Did any practical elevator superintendent, or operator pass on the plans, design and layout of No. 3 elevator annex and extensions, if so, who?
5. Was the said extensions, including jetty let by contract, and was the said work constructed under one contract or divided?
6. How many tenders were received and what was the amount of the lowest tender?
7. What was the estimated engineers cost of No. 3 elevator complete?
8. What has the said work cost to date, and what amount still remains unpaid?
9. What will be the total capacity of said elevator when completed?
10. If the said elevator is to be leased or rented to the British Oriental Grain Company, what is the rental of same to be?
11. Will the said lessee pay cargo rates for grain loaded out over No. 3 elevator galleries?

Hon. Mr. CARDIN:

1. December 31, 1924.
2. Workhouse: Yes—March 31, 1924. Storage house and jetty: No.
3. Messrs. Barnett McQueen Construction Co. Ltd. by authority of and on instructions from Vancouver Harbour Commissioners.
4. Yes, Colin McLean, superintendent, of elevators for Vancouver Harbour Commissioners at time plans were prepared.
5. Elevator extensions, jetty and dredging were let by separate contracts.
6. For jetty, four tenders were received, amount of lowest tender being $48,753.55 based on unit prices for material in place of estimated quantities furnished by chief engineer for jetty as originally designed. For elevator extension, seven tenders received, lowest being $160,000, for construction of storage house, dryer house and completion of shipping gallery.
7. Workhouse, storage house and dryer, which constitutes the elevator proper, $531,500. To include land purchase, jetty and conveyor gallery add $292,912.
8. Total cost including land purchase up to February 28th, 1925, $630,156.94. Estimated amount required to finally complete elevator and jetty $194,255.06.
9. Workhouse.. .. .. 125,000 bushels
Storage house.. .. .. .. 500,000 bushels

Total.. .. .. 625,000 bushels

10. The agreement provides that the lessee covenants that it will pay to the lessor as annual rental for the lands and premises an amount which shall be equal to the interest paid on the bonds issued by the lessor, the proceeds of which have been used in the acquiring of the said property and making improvements thereon as herein provided for, together with an additional amount to be paid into a sinking fund which paid in equal annual instalments will retire the said bonds within a period of twenty-one years, together with an additional annual amount of one per centum on the amount of the said bonds as a supervision charge. It being provided, however, that in no event shall the total charges as aforesaid be greater than nine per centum per annum on the amount of the said bonds, the proceeds of which have been used as aforesaid. The lessee in addition thereto covenants and agrees to pay all registration and solicitor's charges in connection with acquiring title to the said land and registration charges, solicitor's charges and trustee's charges in connection with the said bond issue. For the purpose of ensuring that the lessee will create a revenue of not less than twelve thousand dollars per annum over the said shipping facilities to be provided by the lessor as hereinbefore set out, the said amount of twelve thousand dollars has been included in the said annual rental herein provided to be paid by the lessee, it being understood and agreed between the parties hereto, however, that as against the said rental so to be paid, the lessee shall be credited with all amounts paid to the lessor by the lessee by way of cargo or other harbour rates up to but not exceeding an amount of twelve thousand dollars, per annum.

11. The agreement provides that the lessee covenants with the lessor that it will pay or cause to be paid all harbour rates and dues and tolls and all switching charges properly payable by it, it being understood and agreed that the switching of cars, on, to, or from the premises hereby demised, to be under the control of the lessor. For the purpose of ensuring that the lessee will create a revenue of not less than twelve thousand dollars per annum over the said shipping facilities to be provided by the lessor as hereinbefore set out, the said amount of twelve thousand dollars has been included in the said annual rental herein provided to be paid by the lessee, it being understood and agreed between the parties hereto, however, that as against the said rental so to

be paid, the lessee shall be credited with all amounts paid to the lessor by the lessee by way of cargo or other harbour rates up to but not exceeding an amount of twelve thousand dollars per annum.

Mr. COOTE:

1. What was the number of bushels of grain handled by the grain elevator belonging to the Vancouver Harbour Commission at Vancouver for the year ending July 31, 1924?
2. What was the handling charge per bushel?
3. What were the total receipts from handling charges of (a) Grain; (b) Other sources?
4. What was the number of employees at the elevator?
5. What was the total wage paid to said employees?
6. What other expenses, if any, were incurred in connection with the operation of this elevator?

Hon. Mr. CARDIN:

1. Total amount of grain shipped out 53,096,150 bushels.
2. Operating cost per bushel .941c.
3. Operating revenue:

Elevation	$533,646 32
Cleaning	116,568 87
Drying	462 00
Sacking	56,934 62
Storage	78,187 45
Sundry revenue	4,387 39
	$790,186 65

4. 151.
5. Superintendence $ 9,599 75
Office salaries 15,246 09
Maintenance labour 31,917 28
Operating labour 164,283 26
$221,046 38
6. Power $ 24,515 18
Operating miscellaneous expenses 14,666 04
Maintenance supplies 21,125 22
Improvements 50,033 04
Office supplies, expenses, etc. 22,428 05
Registration fees 2,215 16
Interest and exchange 12 98
Insurance 17,027 29
Water front charge on grain handled 71,284 11
Proportion miscellaneous expenses chargeable to elevator 55,544 00
$499,897 45

VANCOUVER HARBOUR COMMISSION—EMPLOYEES

Hon. Mr. STEVENS:

1. What number of employees of all ranks were in the service of the Vancouver Harbour Commission on December 31, 1921-22-23-24?
2. What was the total amount paid in salaries for services of all classes by the Vancouver Harbour Commissioners for calendar years 1921-22-23-24?

[Mr. Cardin.]

3. What was the total deep-sea tonnage inwards and outwards in the years 1921-22-23-24?
4. What was the total revenue of the harbour commissioners during the calendar years 1921-22-23-24?

Hon. Mr. CARDIN:

1. 1921, 38; 1922, 46; 1923, 347; 1924, 511.
2. 1921, $83,174.19; 1922, $90,690.31; 1923, $205,354.27; 1924, $687,093.80.
3. 1921, $1,237,687; 1922, $1,915,194; 1923, $2,631,888; 1924, $3,679,324.
4. 1921, $340,937.88; 1922, $425,076.48; 1923, $725,880.30; 1924, $1,870,521.00.

VANCOUVER HARBOUR—NO. 1 JETTY

Hon. Mr. STEVENS:

1. Having reference to the jetty at No. 1 Vancouver Harbour Commission elevator, has the superstructure of said jetty been completed?
2. Has the government received any intimation that this superstructure is improperly designed and constructed?
3. What is the total cost of (a) said No. 1 jetty, (b) superstructure, (c) equipment?
4. Who is the designing engineer and what was the engineer's estimate of the cost?
5. Was it constructed by contract?
6. If so, what was the amount of lowest tender and to whom was the contract awarded?

Hon. Mr. CARDIN:

1. No.
2. No.
3. Substructure to last engineer's certificate $448,558 86
Superstructure to last engineer's certificate 172,949 72
4. W. G. Swan, substructure. 462,059 18
John S. Metcalf Co., Ltd., superstructure and equipment 254,377 00
5. Yes.
6. Contract awarded Pacific Construction Co., Ltd., at unit prices for substructure. Contract awarded Northern Construction Co., Ltd. and J. W. Stewart for superstructure, $236,149.30. Contract awarded Northwestern Dredging Co., Ltd., for dredging at unit prices.

VANCOUVER HARBOUR CONSTRUCTION

Hon. Mr. STEVENS:

1. Does the government have an inspector on all works being constructed by the Vancouver Harbour Commissioners out of appropriation advanced by the Dominion government?
2. Who was the inspector on (a) No. 1 elevator extension, (b) No. 1 elevator jetty and superstructure, (c) No. 2 elevator, (d) No. 3 elevator extensions and jetty?

Hon. Mr. CARDIN:

1. No.
2. No.

STEAMSHIP SUBSIDIES

Mr. McQUARRIE:

1. What subsidies are being paid to steamship lines plying between South Africa and Canada, (a) as to Atlantic Ports, (b) as to Pacific ports?

2. What is the tonnage and value of cargoes carried between the said ports, by ships benefiting by such subsidies?

Hon. Mr. LOW:

1. (a) During the fiscal year 1924-25, which has just closed, a subsidy of $125,000 was paid for the Canada-South Africa service. This will be reduced to $100,000 for 1925-26. This subsidy includes calls at West Africa as well as South Africa. The service is an outward one only, from Canada to South Africa; (b) Nil.

2. During the last four calendar years, the origin, quantity, and value of cargoes carried by the subsidized line were as follows:—

Calendar Year	Canadian Origin Tons Weight	Canadian Origin Tons Measurement	Canadian Origin Value	United States Origin Tons Weight	United States Origin Tons Measurement	United States Origin Value	Total Tons Weight	Total Tons Measurement	Total Value
1921	16,262	14,395	$4,082,959	1,281	5,737	$ 677,720	18,243	20,132	$4,760,679
1922	22,217	22,777	4,108,142	989	4,239	499,811	23,206	27,016	4,557,953
1923	37,656	25,443	5,305,222	798	6,605	789,672	38,454	32,078	6,294,894
1924	40,157	19,114	6,511,160	1,958	15,939	1,828,195	42,115	35,053	8,339,355

SALES TAX COLLECTIONS

Mr. ROSS (Kingston):

What was the total amount collected by the government by means of the sales tax during each year of its enforcement?

Hon. Mr. CARDIN (for the Minister of Customs):

1920-21	$ 38,128,063 94
1921-22	61,520,683 79
1922-23	91,262,254 13
1923-24	100,990,076 80
1924-25	62,795,180 84

SALES TAX REBATES

Sir HENRY DRAYTON:

By a return dated February 21, 1925 to an order of the House dated July 3, 1924, it is shown that as of date October 16, 1924, out of a total number of 4,486 claims for rebates of sales taxes, 1,907 claims had been checked and paid, leaving 2,563 claims outstanding. How many of these outstanding claims have been checked since the date given in the said return, and how much money has been paid thereon?

Hon. Mr. CARDIN (for the Minister of Customs):

Two thousand two hundred and seventy-seven of the outstanding claims have been checked since the date of the return and sales tax deductions amounting to $3,164,281.98 have been allowed in respect of such claims.

CUSTOMS DUTIES—DRAWBACK

Mr. LUCAS:

1. What amounts have been paid to Canadian manufacturers by way of drawback of customs duty on articles purchased by manufacturers and wrought in Canada into goods to be exported from Canada, or by way of specific sums in lieu of such drawback during the fiscal years ending March 31, 1922, 1923, 1924 and 1925?

2. What amounts have been paid to such manufacturers by way of such drawback or by way of specific sums paid in lieu thereof on articles purchased by manufacturers and wrought in Canada into goods to be consumed in Canada, during the said years?

Hon. Mr. CARDIN (for the Minister of Customs):

1.

	Export
1921-22	$ 9,559,378 07
1922-23	13,306,503 27
1923-24	12,310,244 78
1924-25	10,280,403 72

2.

	Home Consumption
1921-22	$ 1,328,364 57
1922-23	1,199,774 54
1923-24	1,782,893 84
1924-25	1,964,508 84

CANADIAN NATIONAL RAILWAYS—MILEAGE

Mr. SENN:

1. What is the total mileage operated under the Canadian National railway system?

2. What is the total mileage operated under the Canadian Pacific railway system?

3. What is the total number of employees on the Canadian National railway system?

4. What is the total number of employees on the Canadian Pacific railway system?

5. What is the average number of employees per 100 miles on the Canadian National railway system?

6. What is the average number of employees per 100 miles on the Canadian Pacific railway system?

Hon. Mr. ROBB (for the Minister of Railways):

Average for year 1924 for Canadian Lines

1. 20,523 miles.
2. 13,784 miles.
3. 87,213 employees
4. 57,471 employees.
5. 425 employees.
6. 416 employees.

HUDSON BAY RAILWAY

Mr. SPENCER:

1. When was the last construction work done on the Hudson Bay railway?

2. Why was work continued on this railway during the war when other railway construction was withheld?

3. Was there any correspondence between the British and Canadian governments regarding the construction of the Hudson Bay railway during the war?

4. Was the British government interested in the completion of this railway?

5. If so, why?

Hon. Mr. ROBB (for the Minister of Railways):

1. Railway taken over from the contractor October 9, 1918.

2. During the war years the following new mileage was placed in operation on Canadian railway lines:—

Year ended	Miles
June 30, 1915	4,788
June 30, 1916	1,852
June 30, 1917	1,170
June 30, 1918	274

3. There is no record of any such correspondence.

4. No information.

5. See answer to No. 4.

GOVERNMENT PROPERTY IN VANCOUVER

Mr. BLACK (Yukon):

1. Having reference to the answers given on March 30, 1925, to questions concerning the government property situate on the southwest corner of Granville and Pender streets, Vancouver, known as the old post office property, from whom were such inquiries received?

2. Were any offers received for said property?

3. If so, from whom, and what were the said offers?

Hon. Mr. CARDIN (for the Minister of Public Works):

1. Sharples and Sharples, real estate agents, Vancouver.

2. No.

3. Answered by No. 2.

WEMBLEY DELEGATION—PRESS REPRESENTATIVES

Mr. CAMPBELL:

1. What members of the Press Gallery were included in the delegation to the exhibition at Wembley, England, in 1924, at the expense of the Dominion government?

2. What was the expense to the Dominion government in each case?

3. What members of the Senate were included in this delegation?

4. Were any other individuals except members of the House of Commons, the Senate, or the Press Gallery included in the delegation and whose expenses were paid by the Dominion government?

5. What was the total cost of the delegation?

Hon. Mr. ROBB:

1. Thos. Fraser, J. A. Fortier.

2. $899.94 each.

3. None.

[Mr. Spencer.]

4. Yes; two newspaper correspondents, one from British Columbia (Harry Hodges) and one from New Brunswick (C. C. Avard), the expenses of the former amounting to $900 and of the latter to $869.95.

5. $7,769.83.

INCOME AND BUSINESS PROFITS TAXES REMISSIONS

Sir HENRY DRAYTON:

What, if any, remissions or reductions of income taxes or excess business profit taxes have been made by order in council during the fiscal year last past?

Hon. Mr. CARDIN (for the Minister of Customs): Stand as an order for return.

Sir HENRY DRAYTON: This question is very short. I just want to point out to the government that I would have thought there was nothing there at all; I would expect nothing at all. I was hoping that would have been the answer, that nothing of the kind had been done. I never recollect it being done. We have had questions of the same kind before, and we have had them answered, as I recollect, without any trouble at all, but the minister wishes to make this an order for a return. There are, I admit, lots of cases of refunds of the sales tax and the like, but in this case, unless the government say there are a lot of them, I see no reason why the question should not be answered. If the government say there are a lot of them, it is a different matter.

Mr. CARDIN: I asked that this be made an order for a return at the request of the officers of the department. Personally I am not aware of the conditions, but I am informed that it would mean a considerable amount of work to obtain the information asked for. I have no objection to letting the question stand.

Sir HENRY DRAYTON: It will stand as a question?

Mr. CARDIN: Yes.

Question stands.

UNOPPOSED MOTIONS FOR PAPERS

DR. PETER McGIBBON

Mr. HAMMELL:

For a copy of all papers, reports, writings, telegrams and other documents written by Dr. Peter McGibbon in the year 1921 to the Canadian Government Merchant Marine, Limited, or to any of the officials of the then government mentioned in a letter dated, Bracebridge, October 6, 1921, and addressed to the Hon. J. H. Stewart, Minister of Railways, a copy of which was tabled some time ago; also a copy of all answers to such letters, telegrams, etc., forwarded to Dr. Peter McGibbon.

CRUDE PETROLEUM PRODUCTION INVESTIGATION

Mr. LESUEUR:

For a copy of instructions given to Dr. Hume and Mr. Russell in connection with their visit to the county of Lambton, and their investigations into the production of crude petroleum in that county, and of all letters or reports written or made by them or either of them thereon, and all correspondence relating thereto.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. W. C. GOOD (Brant): I should like to ask the Minister of Labour whether in case of an outbreak of violence in Cape Breton followed by an application from the provincial government for armed forces, the federal government would consider they were under any obligation to make an inquiry?

Mr. SPEAKER: I might remind the hon. gentleman that hypothetical questions are not allowed.

Miss AGNES C. MACPHAIL (Southeast Grey): I want to ask the government if in the face of the continued and ever increasing distress in Cape Breton they intend to calmly sit here while really thousands of people remain hungry?

Hon. J. A. ROBB (Acting Minister of Finance): The government have had no further word from Cape Breton, and I can give my hon. friend no other answer than that given by the Prime Minister, that we shall await a report from the premier of that province.

INQUIRY FOR RETURN

On the Orders of the Day:

Mr. D. F. KELLNER (East Edmonton): On the 19th of February an order of the House was passed for a return in connection with a question standing in my name. I should like to ask when I may expect that return. It related to the cost of acquiring land at Buffalo Park at Wainwright, and the total cost to date of Jasper and Buffalo parks.

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior): I have not received the information from my department that my hon. friend has asked for, but I shall at once take up the matter with the officials and ask them to hasten the return.

THE BUDGET

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

The House resumed from Tuesday, April 6, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. WILLIAM IRVINE (East Calgary): Mr. Speaker, at the time of the adjournment last night I was in the act of trying to balance the budget, a new kind of budget, a budget which shows a huge expenditure of promises, offset by a meagre income by way of fulfilment. During my attempt at balancing this budget I was interrupted by the Minister of Labour (Mr. Murdock), while quoting a plank in the platform of the Liberal party made at the last election as an appeal to labour. The interruption was caused by my quoting clause 7 in the first half of the platform, which says:

7. The principle that men and women should receive equal remuneration for work of equal value.

The Minister of Labour said:

Does my hon. friend not know that neither this government nor the preceding government has had any authority in fixing the wages of civil servants, that authority being entrusted under a specific law to a commission which has exclusive jurisdiction in the matter?

Now I understand that while the government may not have full authority as the Minister of Labour suggests, it must of necessity, according to the act referred to, give its approval to any proposal which the commission might make. If there are women civil servants who are not receiving the same salary as men in the civil service, has the government had any communication whatsoever with the commission in regard to that? Has the government made any effort at all to remove any such discrimination, if such discrimination exists?

I have one more suggestion to make in this regard: Supposing that what the Minister of Labour says is correct—namely, that the government has no authority to deal with the salaries of civil servants because of a certain act—has not the government full power to change that act? Why not bring in an amendment now to this particular act limiting, if necessary, the power of the Civil Service Commission, or giving the government such power as the Minister of Labour thinks it ought to have?

I referred last night to the different accounts given by the various members of the cabinet at different times in this parliament as to the condition of the health of the nation. I showed that the government presented a picture which was suitable to the aims which it sought to gain for the moment. I would say that the government has applied the same

kind of reasoning to the balancing of its budget. As a matter of fact it has over-balanced the budget. It has balanced a certain expenditure over against a problematical income. It has ignored huge liabilities of the government in the case of the National railways merely in order that it may be able to make a pretence of balancing its budget. Now in view of the fact, Mr. Speaker, that there are some hon. gentlemen to follow me who would like to complete their speeches and get away for the Easter holidays I am not going to go into the details of the budget as I had prepared to do. As a matter of fact it is really unnecessary for me to do it, because other hon. members already have done so, and I have no doubt that many who will follow me will also deal with the budget in detail.

There are two main questions with respect to the budget that I want to comment on. I think that I may divide the main features of this budget into two questions. First, how can expenditure be reduced; is there any possible way by which we can further economize? The next question is; how is the revenue required to be raised? These are really the sum and substance of the budget. With regard to the first question—how can we economize?—while the government has protested time and time again its anxiety to economize, it has not told the people very frankly that the major portion of the public expenditures is really composed of fixed charges and that the largest item of the fixed charges is interest and that it cannot be reduced; no amount of economy by this or any other government can reduce that charge. The only way that that charge can be effectively altered would be to make some alteration not in the fiscal policy in so far as it applies to the tariff, but to make some such fundamental change as the control of public credit and finance.

How is the revenue to be raised is the next question? This brings us to the most contentious of all questions that arise in discussion of a budget, and that is the question of tariffs. At the present time we raise our revenue by tariffs, income tax and sales tax chiefly. Here I would just stop for a moment to protest against the whole system of taxation that is applied in Canada at the present time. It is a duplication, it is unjust, it is expensive. Let me say further that I do not believe that there is any system of taxation which will ever solve the basic economic problems. The tariff is first of all as it is applied in Canada a means of collecting revenue. Secondly it might possibly be utilized as a protective agency to protect our industries; but I do not see how we can effectively do both at the same time. For if we had a tariff that was sufficiently high to protect our industries it appears to me that it would not be a very good revenue producer. If, on the other hand, we have a tariff that is good at producing revenue I fail to see how it can be a protection to industry. I have just said that I do not regard the question of tariffs as being fundamental, in fact I do not think that any fiscal policy is fundamentally an economic question. I readily admit that any fiscal policy will have an effect upon the industrial life of the country. It will have an effect like the weather would have on one of the Petersen ships coming across the Atlantic say; if it blows hard it will retard the ship somewhat but it will likely get across; if it is a fair wind it can help her to make a more speedy passage. And so with the ship of state; the fiscal policy may retard a little or may increase the speed, but the fiscal policy is not a fundamental driving force. The tariff is the most contentious question however. It is in Canada of major importance in politics; it is universally, I think, of minor importance in economics. We have found that in Canada no party really stands for the abolition of a tariff. It is used by all parties largely as a means of producing revenue; and as I have just pointed out if the Conservative party were to carry its principles to their logical conclusion, as I understand it, we would have a protective tariff so high that it would not yield any revenue. If, on the other hand, the Liberal party were to take its own programme seriously and carry it into effect we would have free trade ultimately and consequently could not look to a tariff for any revenue. I am not charging the Liberal party, of course, with any free trade inclinations; but if ever it did have them, it has not furnished the country with any substitute proposal for collecting revenue. It seems to me that that is just one of the chief weaknesses of the Liberal party; it claims that it wishes to make towards free trade, but finding that it has no other means of collecting a revenue it just keeps on with the same old tariff in order to be able to balance the budget at the end of the year. It appears to me that the tariff as it is fixed now is possibly at the best level for producing revenue. If we had a Conservative government it would not raise the tariff very much higher providing that it aimed to use the tariff as a revenue producer. The present Liberal government, that has professed to revise the tariff downwards, will not revise it downwards very much more because if this were done the income would be depleted. And so we have a tariff fixed, as it appears to me, at that point

where it can produce the greatest amount of revenue. That is my view of the question.

We have therefore the worst evils of both systems in force in Canada at the present time. That is to say we have the worst evils that could come from partial free trade, the worst evils that could come from partial protection, and we have not obtained the inherent virtues of either of the philosophies that underlie this practice. Let me be a little more plain in what I mean by saying we have the worst evils of the two systems. As I have pointed out the tariff is not low enough to cheapen goods. That has been the claim of the Liberal party—that it wanted to reduce the tariff in order to reduce the price of goods to the consumer. But the tariff is not low enough to do that; on the other hand it is not high enough to be a protection to our industries. Everyone will agree that, in so far as it is a collector of revenue, it is a most expensive system. It has been estimated that by this method of collecting revenue three or more dollars go into somebody else's pocket for every one that goes into the treasury. It is not only a very expensive way of raising money, but it appears to me to be a very unjust way, and I think the agricultural industry more than any other bears the burden of the present system of tariff taxation. Next to the farming industry comes the average man or woman, the consumer, who may not be engaged, perhaps, in a protected industry at all, but must pay an extra price for all protected goods. So that taking the tariff as it is today, this tariff that has been described as a moderate tariff is the most pernicious kind of a fiscal policy that any country could have. I wish to make the assertion that in my opinion the country can accommodate itself ultimately to any fiscal policy, providing that fiscal policy is stable. I think that a statement similar in character to that which I have just made was made in the budget debate in the British House of Commons by the former Premier, Lloyd George, just a few days ago. If further proof that a country can survive any fiscal policy were required, I would refer hon. members to Germany and to the United States. These countries have managed to survive, notwithstanding the fact that they have high protection. Next I will take you on the other side to Great Britain, as furnishing, I believe, the best example of a free trade country, and even Great Britain has managed to survive under free trade. But if you want the main outstanding example of all, I would point to Canada. Canada has been able to survive the worst kind of fiscal policy, a fiscal policy which I say is neither one thing nor another. It is neither hot nor cold. The fiscal policy which we have now has been described as moderate. I think I can recall the former leader of the Progressive party (Mr. Crerar) referring to the tariff as an immoral thing. Now we have a moderate tariff, but if it is an immoral thing, let us be done with it. If it is not an immoral thing, let us use it; but as it is now I say it is a most unjust thing and a most expensive method of raising the revenue of the country. It does not protect the industries. It does protect the manufacturer; that is to say it gives him an opportunity of charging a higher price for his goods, but it does not protect the industries, because it is never high enough to make them secure from the competition of the other countries. So that that is the tariff which we have now.

My contention then, Mr. Speaker, is that we must have one thing or the other. I am prepared with those hon. members opposite, to have free trade, if they are so prepared. But I think if any proof were needed more than we have had in the past we have it this year that they are not quite prepared to give the free trader anything approximating free trade. They are not even thinking about it, and I am not going to play "pussy wants a corner" with any government. If they are sincere about it, I am willing to give it a trial, because I believe if there is any science in government it must be experimental. But Canada has never experimented with anything like free trade, and seeing now that there is no opportunity of even having a chance to experiment with it, I turn away from it to try some other experiment. I am not going to fool with it at all. The tariff as we have it now reminds me of that fable which speaks of a donkey starving to death standing between two haystacks. But remember, Mr. Speaker, that was merely a fable. A donkey would have more sense than that. Here we are with our tariff policy; no one seems to want to make it any lower, but simply to keep it as it is, destructive and stupid. Still we stand there. That is the reason why I am turning from that policy.

That brings me to the question asked by two hon. members to my right last night. They asked, why did I last year vote for a policy making towards free trade, while on this occasion I have indicated my opposition to a budget that was somewhat similar? That is a fair question and I want to take a little time to answer it. I want to make quite clear the attitude that I have assumed, whether it be right or wrong, on the question of tariff. I have just stated that I personally and the labour people whom I represent do not look

upon the tariff as being of fundamental and economic importance. In this we may be mistaken, but that is the attitude we take. Therefore I had no tariff platform at the last election. I was elected on an entirely different platform. The very first and most important point in my election—in fact it was the only thing—was that I was elected as a representative of labour, and that I was to consult with them from time to time as to their attitude on public questions. That was the only plank in my platform. I have just consulted with labour on this point. I did not fail to make inquiries of the Trades and Labour Council of Calgary and did not fail to make inquiry of the Labour party of Canada as to the attitude I should adopt on this question and I received their instructions. I am their delegate. If I cannot out of principle obey their instructions I should resign. But having the conviction myself that the question of the tariff will not solve the labour problem, having the conviction that we ought to try the one thing or the other, namely, free trade or protection and not something that is half way between them both, my course seems to me to be clear. Last year I still had a faint hope that there was a strong party in this House that stood for ultimate free trade, and that they were willing to take a step towards getting that free trade, and so when my hon. colleague brought in the resolution pointing that way I hoped, in fact I never doubted at that time, that that programme, being the programme of the Progressive party, would be supported by every one of them, and that it would be a challenge to the government that the next budget that came down would have to be a budget making towards free trade. For that reason I voted for it, because I am willing to try free trade if anybody else is. But this year, finding that nobody wants free trade, that nobody is even looking towards free trade, and realizing as I do that the tariff as it now stands is an objectionable thing, I turn my eyes towards the other side, and I ask, what has protection to give? Is protection going to be as timorous in its policy as free trade has been? If it is I must turn from it also. But at present I do not know that it is. There is the answer to the question my hon. friend put to me last night.

Mr. GARLAND (Bow River): My hon. friend has claimed that there is not a single member in this House who is directing his attention towards free trade. I desire to assure my hon. friend that my allegiance to that principle has not been departed from as far as I am concerned.

[Mr. Irvine.]

Mr. IRVINE: I am very glad to hear the confession of my hon. friend. I should have said that no party in this House stood for free trade. If I said "no individual," I did not mean that. I believe there are still a few individuals who keep their first love burning bright, and all honour to them. I can understand them. But there is no major party in this House that seems to have any idea of standing for free trade.

Now I turn to the question of protection.

Mr. SPEAKMAN: The hon. gentleman has been answering a question I put to him last night, and I must confess he has not as yet made it clear to my mind by what course of reasoning he arrives at this conclusion, that it is a mark of sanity and consistency on his part to oppose a budget which he characterizes as the same in essence as the one he supported last year, and still considers that it is ludicrous in fact on the part of other members of the House to follow the same course, when these other members may also have discussed the matter with their constituents?

Mr. IRVINE: I did not undertake to make my position clear to my hon. friend. I undertook to express it in the hope that it would be clear to all hon. members in the House. The difference between my hon. friend's party and myself is this, that last year I voted the platform of the Progressive party and the Progressive party voted against it.

Mr. SPEAKMAN: Not all of them.

Mr. IRVINE: I did not say all of them. The Progressive party voted largely against that proposal. I turned away from the hope of getting free trade when the only party which had given any indication of standing for it threw it overboard. If that, with the explanation which I have given as to my relations with my constituents, the platform upon which I stood when elected and my personal views, is not sufficient to convince my hon. friend of my position, then I shall have to leave that for a later date.

Mr. EULER: I should like to be clear whether the hon. member is himself in favour of free trade or of high protection. He has not made that clear. Perhaps my question is premature.

Mr. IRVINE: I have made it clear, I hope, that I think no fiscal policy, economically considered, is of any great importance. My next point is, as I have tried to establish, that a country will survive any fiscal policy whatsoever; but the one that we have now is the worst kind of a policy, because it is half way

between free trade and protection, and it gives us the worst element of both. I am willing to try either of these. I am willing to try free trade.

Mr. EULER: Which does the hon. member prefer?

Mr. IRVINE: I do not know because free trade has never been tried. If my hon. friend is so convinced that free trade is a good thing, why does he not give it to us?

Mr. EULER: I did not say that.

Mr. IRVINE: If he is convinced that protection is a good thing, why not raise the tariff to that point? It is all very fine to talk in this way. If I believed in free trade and was Prime Minister of this country, I would take a chance at it. If I lost out, I would at least teach a lesson in history to all that would follow me. But to sit here and talk about free trade and take every opportunity of evading it—

Mr. EULER: As the hon. member is doing now.

Mr. IRVINE:—I cannot stand that kind of policy.

Mr. KELLNER: Who is the hon. member's authority for quoting the Progressives as being a free-trade party?

Mr. IRVINE: I have their platform here which I did not read last night

Mr. KELLNER: The hon. member will not find it in their platform.

Mr. IRVINE: If the Progressives never looked towards free trade in the hope of getting it I must apologize to them for having misrepresented them. In that case, I would not have needed to trouble to answer the question of my hon. friend. If the Progressives never looked toward free trade, they certainly have no dividing point at all between them and the other side of the House and they never could have had any. But I had assumed that there was at least that semblance of a difference between the Progressive party and the party to my left.

Mr. KELLNER: I should like to suggest that my hon. friend would fit into almost any corner of the House.

Mr. IRVINE: I might retort, if I wanted to adopt that kind of recrimination, that I do not think my hon. friend could fit into any corner of the House, but I do not wish to stoop to that kind of argument. I am not saying anything against the Progressive party that they have not said against themselves. I am not more unkind to them than they have been to themselves. I am trying simply to represent what they have done. I would have given them the credit of being a little different in their principles and policy from the party in charge.

Mr. GOULD: So we are.

Mr. IRVINE: I seem to have made a mistake in that assumption.

Mr. FORKE: I would like to suggest to the hon. member that if the course of the Progressive party has led him to dissociate himself from that party, that is not altogether without its advantages.

Mr. IRVINE: I am very glad the hon. member recognizes the advantages which accrue to me from that separation. I will now turn to the protective alternative. In this connection I want to put to the leader of the opposition (Mr. Meighen) the questions which I intimated last night I would put. The first thing I want to do is to repeat the question I asked last night: Does the Conservative party really mean to give us a policy that will be a protection to industry. I do not think I could say that the Conservative party in the past has succeeded in doing that. I will readily admit that it has always been a little more sincere and honest than other parties, because it has consistently stood for high protection. But I do not think it has ever given protection high enough to protect industry. I want, therefore, to know whether it is the intention of the leader of the opposition to pursue a policy which would result in really protecting Canadian industry.

Mr. HOEY: Is there any merit in standing for protection if the party does not carry it into effect, any more than in standing for free trade if the party does not carry it into effect?

Mr. IRVINE: I do not think so. That is why I am asking this question. The next question that I wish to put before the leader of the opposition is this: In the event of his giving us a protective policy that will protect our industries, will that not result in wiping out the revenue which is now being raised by the tariff as it exists at present? How will the leader of the opposition raise the revenue in the event of having placed upon Canadian industries a protection that will adequately protect them? The next question, and one that I think is more important to labour and, perhaps, the farmers than the others, although it arises out of the other two

questions, is this: Will protected goods, that is, goods manufactured under a protective policy, be sold to the consumer in Canada at a price that will be equal to that for which those goods might be bought in other countries? If that is the policy that is to be followed, I should like to know next how the leader of the opposition proposes to prevent protected interests from exploiting the masses of the consumers. In asking these questions, I do not think that any of them is unanswerable, and I hope the leader of the opposition will answer them. I am quite sure he will not side-step them; at least I have never known him to side-step any that I have ever asked him. If we cannot have a protective policy high enough to do what protection should do and if it is impossible to protect the consumers of Canada under such a policy, I think we shall have to scrap both policies. I believe, however, it might be possible to raise tariffs to such an extent that it would be prohibitive to bring goods into Canada. In that case, we would certainly protect the Canadian market, and in doing so we would pass some of the benefits on to the workers of Canada. At the present time, all the benefits of the protective tariff go to the individual manufacturer, but it leaves no protection to labour at all and the consumers generally pay the increase in the price. If we are going to have a protective policy—and I see we are not going to have a free trade policy—I would ask the exponent of that protective policy to tell us how high it is going to be, how the revenue is going to be raised, and how the exploitation of the Canadian public by a few protected industries is to be prevented?

Mr. PRITCHARD: May I ask the hon. member a question? He seems to be much interested in the question of unemployment. If he gets what he wants in the way of a high tariff policy, which will have a tendency to draw all the employment to a particular industry, how will he prevent unemployment when all the workers go to that industry and there will be no work anywhere else?

Mr. IRVINE: I am not sure I got my hon. friend's question. To begin with, I was not at the moment advocating a high tariff, neither was I presenting it as a solution of unemployment. But if I got his question at all, it is this—and he will correct me if I do not fairly express the idea he had in mind: where an industry was protected there would naturally be an increase of work in that particular industry because of the guarantee of the Canadian market, and that would draw a number of workers to that industry—so many that they would ultimately become unemployed. But I do not see that that is very good reasoning, because if workers come from other industries and are subsequently not required they can go back and get the jobs they had before. I do not quite see my hon. friend's point.

Mr. PRITCHARD: How will you protect the farmer, who has to compete in the open market? He will have to quit the business.

Mr. IRVINE: If I were the exponent of the protective policy I would say how the farmers would be protected. The farmer is the most heavily burdened in Canada to-day, and whether you go toward free trade or protection his burden will have to be relieved in some way. It has not been relieved by the government in power. The farmers think their way of relief lies in free trade or toward free trade—in making a bow to free trade, if you do not want to get any nearer than that. But under present conditions there is not even a courtesy made to free trade. Then if we had to turn to the other policy it would be part of the duty of the exponents of that policy to tell us how they were going to relieve the burden of the farmer, how they were going to protect the farmer. That is a question which I pass over to the chief exponent of that policy.

In conclusion, Mr. Speaker, I want to deal with a point which seems to me to be much more important than the tariff. I think it will be agreed that more and more the question of credit and finance is rising to the position of paramount consideration in all countries. The evidence of this comes from France just a day or two ago; I shall not quote the despatch but I merely refer to it as bearing out my point that the question of the control of credit and of proper financing is becoming increasingly important. In a despatch of April 6, I note that Premier Herriot of France is asking for an increase of some two billion francs in the circulation of money, and is making it his policy to impose a capital levy of ten per cent. I do not know what the details of either of these policies are, nor do I say that either of them is the right policy. I do say, however, that the fact that he is going to risk his government on a question of finance is proof to my mind that this question is becomnig a vital one for all nations to consider.

The government are talking a good deal about prosperity. Sometimes they have found it to exist; sometimes they are only confident that we are going to get it. But surely they will agree that there can be no prosperity in

any country while a large percentage of its plant equipment is lying idle. There can be no prosperity in any country that lives largely on wages when a large percentage of the population are unemployed. There can be no prosperity in a country where the plant equipment and natural resources are unused. But how are we going to start these factories and get the men to work and utilize our natural resources? Some say we will do it by a certain kind of tariff policy. It may be so; I do not think so. But I believe it can be done by a proper arrangement of national credit. So I make the suggestion to the government that they take one step in this direction; let the government begin by testing out this suggestion in a small way. At present the government hand the credit of the country over to financiers and borrow it back from them at a high rate of interest. Our interest account to-day amounts to nearly $200,000,000, which is more than comes in by the tariff. The government can save that much by proper financing. Let them begin by financing the next year the $400,000,000 or so that is required to meet the current expenditures by issuing that amount on the strength of the national credit instead of borrowing it from New York or some other p'ace. Having issued such credit instruments as may be required, they could balance the account at the end of the year by taxing to the extent of the amount issued. There will be no inflation then—not any more than if they sold bonds; and they will save the entire amount they would have to pay out in interest. And I suggest that when they do their taxing they do not go to the sales tax or to the tariff or even to the income tax, but that they try out the single tax and see what the results would be. The single tax has at least the virtue of simplicity and of fairness. It would be required as much under a protective as a free trade policy as in either case revenue would be required. I will not expound that system of taxation, because I believe the hon. member for Brant (Mr. Good), who is the best exponent of it in this House, will be dealing with the question when he speaks on the budget. But I suggest that as one method of taxation that is better than either that is in use at present.

Sir HENRY DRAYTON: Will the hon. gentleman allow me a question? I do not want to trouble him about it if he does not want to go into it, but perhaps he has considered it. He suggests we are to raise $400,000,000 by issuing that amount of legals and we are to get that back by the single tax. Is it my hon. friend's idea that that should go on year after year?

Mr. IRVINE: I do not see any reason why it would not, because that would be a case where the budget could be balanced. If $400,000,000 of new credits were issued and $400,000,000 were collected by taxes the one would balance the other at the end of the year, the country would be in the same position as when it started and could proceed to repeat the process. What would be the difficulty in continuing?

Sir HENRY DRAYTON: My hon. friend will see that the next year you would have to get $800,000,000, because you would have to get back the $400,000,000 of credits that were issued as well as get the $400,000,000 of the next year's taxes.

Mr. IRVINE: No, the $400,000,000 originally issued would be put in the waste paper basket after you taxed it in, and you would issue a new $400,000,000.

Sir HENRY DRAYTON: Yes, but that is not the point. It has to be brought back by taxation. In the first year there is just $400,000,000, but the expenses of the country are going on, so you have that $400,000,000 and then you have the $400,000,000 of paper which has also to be brought back, which would make $800,000,000 for that year.

Mr. IRVINE: No, the $800,000,000 basis is the basis of present day financing. I can quite understand the reasoning of the former Minister of Finance (Sir Henry Drayton), but just right at that point is where the difference comes in. That is what we are doing now. Every year we are increasing our debt and our interest just by that method, and there is nothing that can prevent this or any other country that is following such a system of finance from arriving at disaster ultimately. There is no use trying to camouflage that fact.

Now, Mr. Speaker, I do not wish to detain the House further. I hope, however, that more and more this parliament will come to the conclusion that fiscal policies are minor matters, compared with such questions as control of national credit, properly controlled finance, control and development of industry, and looking after our means of transportation, the correct solution of these questions is what will bring prosperity, not taxation. I do not suppose that any country can possibly tax itself into prosperity.

Mr. GARLAND (Bow River): May I interrupt my hon. friend with regard to the $400,000,000 of expenditure? We will assume that

the Acting Minister of Finance (Mr. Robb) is now proceeding to raise the revenue to meet expenditure for the coming year, say, $400,000,000. The plan of the hon. member, I take it, is that the minister shall also at once commence taxation with a view to retiring that total of $400,000,000 by the end of the year; therefore there would not be $400,000,000 in arrears when the year closed.

Mr. IRVINE: The hon. member has got my point exactly. I do not ask that we do anything different from what the government is now doing, only instead of borrowing what is required for current expenditure from any body on our credit, my suggestion is that we simply use our own credit. The government is doing the same thing now—it is retiring the paper that it is going to issue. That is all it would have to do under my suggeston.

An hon. MEMBER: They would save interest.

Mr. IRVINE: Yes.

Mr. A. B. HUDSON (South Winnipeg): Mr. Speaker, this session, as usual, the discussion on the budget has largely centred around the tariff; and that, I suppose, is inevitable. I propose therefore to follow up the discussion, but in a somewhat different way from that which has been adopted by most members up to the present. Appeals have been made to the authority of political economists and to the experience of other countries, but very little has been said about the experience of our own country. It is with that experience that I propose to deal. In 1868, the first year after confederation, the total external trade of Canada was $129,000,000, largely with the United States and the United Kingdom, just as it is now. At that time the tariff on all imported goods, whether free or dutiable, averaged 13.01 per cent. It fluctuated slightly but for the most part remained at about that figure until 1879. During the years following 1868 our external trade steadily increased; there were fluctuations, but on the whole the trend was upward until 1878 when it totalled $170,000,000. That year was a period of great business depression, and in 1879 our external trade dropped to $151,000,000, which was much lower than the average during the preceding ten years.

4 p.m.

Now, the depression of 1878 began in the preceding year and continued through 1879, and naturally the people became uneasy; unemployment was general, industry ceased to operate, and large numbers of Canadians went to the United States and elsewhere. Our population in 1871 was 3,689,257, and the increase during the decade was 635,553, making the population in 1881, 4,324,810. I have no means of ascertaining what the loss of population was by emigration; no doubt it was substantial, as it was before and as it has been since. But the public men of the time turned their attention to what they thought might be remedies for the situation, and in March 1878 Sir John Macdonald moved in the House of Commons an amendment to the budget, which was read by my hon. friend from Brome (Mr. McMaster) the other day, and which I should like to read again:

> That the Speaker do not now leave the chair but that this House is of the opinion that the welfare of Canada requires the adoption of National Policy, which by a judicious readjustment of the tariff will benefit and foster the agricultural, the mining, the manufacturing and other interests of the Dominion: that such a policy will retain in Canada thousands of our fellow countrymen who are now obliged to expatriate themselves in search of the employment denied them at home; will restore prosperity of our struggling industry now so sadly depressed; will prevent Canada from being made a sacrifice market; will encourage and develop an active interprovincial trade; and moving as it ought to do in the direction of reciprocity of tariffs with our neighbours so far as the varied interests of Canada may demand, will greatly tend to procure for this country eventually a reciprocity of trade.

Now, that is precisely the proposal which is suggested as a remedy for the existing situation in Canada.

Mr. GOOD: I should like to ask my hon. friend if the Conservative party is advocating reciprocity at the present time?

Mr. HUDSON: I was going to note that exception. My hon. friend is quite right.

Mr. GOOD: A notable exception, is it not?

Mr. HUDSON: Yes. The situation which then existed, the Conservative party claimed could be remedied only by putting up a high protective tariff, and it is the situation which they say exists to-day and can be remedied only by adopting similar means. Sir John Macdonald said further: We think reciprocity with the United States is a good thing, but we cannot get reciprocity unless we have a club to hold over the United States, and therefore we are going to raise the tariff. That is precisely the position which my hon. friends opposite take now. They do not say that they want reciprocity; they say they want to have a club to hold over the United States. Sir John Macdonald in the course of his statement in support of that amendment used almost all of the arguments which have been used by hon. gentlemen in this House during the present debate in support of a raising of the tariff for the purpose of remedying the

existing conditions. Sir John Macdonald and his colleagues came into power as a result of the election in the latter part of 1878, and in 1879 they proceeded to implement their promises. They passed a new tariff law, which was said by those supporting it to be for the purpose of protecting and encouraging industries, to keep men from going to the United States, and to cure unemployment.

Following this tariff of 1879, there was, of course, a period of adjustment. Business did improve. The depression which had existed in 1878 and 1879 passed away, both in Canada and elsewhere.

Mr. GOOD: Does my hon. friend attribute that to the tariff?

Mr. HUDSON: Certainly not. If my hon. friend will be patient for a moment he will see where I am coming to. Business did improve for several years, and by the year 1883 the total external trade of Canada had increased to $221,000,000. It had been in 1878, as you will remember, $170,000,000, and by 1883 it had increased to $221,000,000; that is, the depression was over, and some improvement had taken place.

Now at that time the average tariff on all imports, dutiable or otherwise, was 19.1 per cent; that is, there had been an average increase of tariff of 5 points from the tariff of 1878. It remained during the time from 1883 onwards to 1896 at that point or thereabouts, 19.1 to 19.2. That being so, let us consider whether or not this changed policy had the results which its authors anticipated.

Mr. LADNER: Might I ask whether the hon. gentleman is taking the average duty on all imports, or just on dutiable goods?

Mr. HUDSON: On all imports.

Mr. LADNER: Because he will find the average duty on dutiable goods imported into Canada was in 1870, 20.9 per cent, whereas the hon. gentleman's figure was 13 per cent. In 1880 the average duty on dutiable goods was 26.1, and in 1890, 31 per cent. It makes quite a difference whether you are taking the average duty on all goods or on dutiable goods only.

Mr. HUDSON: If my hon. friend has listened carefully, I stated very specifically that I was giving the percentage on all goods, dutiable or otherwise. My percentages are based on the entire imports, that is the percentage computed as if the total amount of duty had been paid on the total amount of imports. Now during those thirteen years the entire external trade of Canada increased from $221,000,000 to $231,000,000; that is, in thirteen years there was an increase of only $10,000,000. During those thirteen years the western wheat and the western cattle had come into the market for the first time. In 1883 there was no western wheat of any account moving eastward, certainly none being exported worth mentioning. In 1896 there was a substantial amount.

Mr. MEIGHEN: Before the hon. gentleman can have any argument complete, he would have to give us the figures of home trade and home production for the same time.

Mr. HUDSON: I am saying, as my right hon. friend must know, that a very considerable amount of western wheat was going to England at any rate by 1896. Now that was a new factor in the economic situation in Canada. I have not the figures to say just how much, but it is a factor which should be considered. There was an increase of $10,000,000 in the external trade of Canada in those thirteen years. That is what happened under this policy. Now it is perfectly true that that does not deal with the situation in Canada itself. We do not know from that whether the people in Canada were happy and prosperous or not. Some gentlemen who lived here at that time and who remember it may be able to say. But there is another factor which may be considered, and that is whether or not people stayed here.

Mr. LADNER: May I ask the hon. gentleman if he happens to have read the speech that Sir Leonard Tilley delivered in presenting his budget of 1882, in which he describes in great detail the very factors which the hon. gentleman has alluded to, and explains with figures the prosperity of the country, prices, labour, production, and the revenue that existed at that time.

Mr. HUDSON: I have not read the speech my hon. friend refers to, but it may be the Minister of Finance at that time had very rosy views as to what would happen. I have referred particularly to the period from 1883 to 1896. That is what I am dealing with now, and during that period let us see what the people who came to Canada and who lived here did.

In 1881 the population of Canada was 4,324,810. The natural increase we have not definite statistics on, but I have taken the estimated percentage used by the chief statistician for the years from 1901 to 1911, and that is a conservative percentage, because with a smaller population and a larger proportion in rural areas, the increase would be greater; but

taking the same percentage, the natural increase would be 648,621. Now the immigration into Canada during that period from 1881 to 1891 was surprisingly large, according to the statistics which were kept by the department of the then government. According to these statistics the immigration amounted to 886,177, making, if those people had all stayed in Canada, with the natural increase, plus the immigration, and the original number who were here, a total population at the end of 1891, when the census was taken, of 5,859,508.

Mr. GOOD: Before my hon. friend passes on, he means by the natural increase, I suppose, the excess of births over deaths?

Mr. HUDSON: Yes. Now according to the census of 1891, the actual number of people we had in Canada then was 4,833,239. That means that during those ten years when this high protective policy was in force there was a loss of population of 1,026,000. That was at a time when we had less than 5,000,000 people in Canada. That means that one person in every five that we had in Canada during that period left. Why did they leave? It may be that these figures as to immigration are not correct, but they are the figures taken from the government's own publication at that time. The loss of population during the years 1891 to 1896 cannot be calculated with any certainty, but it seems to have been in the same ratio. There was a further fact: Although we had considerable immigration from 1881 to 1891 even immigrants ceased to come here, because in 1896 we got only 16,000 new people. In that year there was an election as a result of which a new government was returned whose policy was that of reducing tariffs; and what was done in that respect I will say just in a moment. The average rate of duty on all commodities in 1896 was 19.2. In 1897 it was 18.7; in 1898 it was 17.5; and in 1911 it was 16.2.

Now let us take the trade. The trade of Canada in 1896 amounted to $231,000,000. In 1897 it was $249,000,000; in 1898 it was $294,000,000; in 1909 it was $559,000,000; and in 1911 $759,000,000. There is one curious thing to note here and that is in regard to the British preference. The British preference was part of a policy which was inaugurated in 1897 but in a large way it did not have very much effect; the amount of goods which we bought from England in 1896 was precisely the same amount as we bought in 1898, the reason suggested being that goods were so cheap in England prior to 1896 that we were buying all that we required of the kind of goods which Great Britain supplied. In 1898 imports from Great Britain did increase fairly steadily, but not in the same proportion as from the United States. The population of Canada in 1901 was 5,371,315. It increased to 7,296,643 in 1911, a net increase of 1,835,328. The chief statistician makes an estimated loss by emigration during this period of 865,889. That is all I wish to say about that period.

In 1911 we had another election, and we decided that we would have "no more truck or trade with the Yankees." Our total trade with the United States in 1911 was $388,000,000 In 1913 it was $575,000,000; and in 1914, $573,000,000. The war intervened then and the trade of Canada during the war was abnormal so it does not seem to me that we should spend time discussing it.

Mr. MEIGHEN: Is the hon. gentleman arguing that the increased trade from 1896 to 1911 was due to reduced tariffs?

Mr. HUDSON: If my right hon. friend will wait a minute he will learn all that I have to say in that regard.

Mr. MEIGHEN: That is pretty well dodged.

Mr. HUDSON: The question will not be dodged; I am quite ready to answer my right hon. friend. In 1923 the total trade of Canada had reached $1,733,000,000. Of this $918,000,000 was with the United States and $520,000,000 with the United Kingdom. In 1924 the total was $1,938,000,000; with the United States $1,031,000,000 and with the United Kingdom $513,000,000. Thus it will be seen that we buy from and sell more to the United States than any other country. The average duty in 1922 was 16.2; in 1923, 16.7; and in 1924, 15.1.

Mr. HOEY: That represents our total imports dutiable and otherwise?

Mr. HUDSON: Yes, certainly. I repeat again that the percentages I have used are the percentages of the total imports and not merely of the dutiable.

Mr. MEIGHEN: Then the hon. gentleman should also say that the duties were not lowered by a single fraction of a per cent as respects the United States; that is where the increases took place.

Mr. HUDSON: I do not know how much the duties were reduced; I do know that there was a relaxation in trade restrictions, taking the whole field, to the extent that I have mentioned.

Mr. MEIGHEN: No, just in part of that field.

Mr. HUDSON: No, taking the whole field.

Mr. MEIGHEN: No, just in part of the field; no increase there at all.

Mr. HUDSON: To summarize what I have said: In the first period, that is from 1868 to 1878, there was what was then called and what might still be called a revenue tariff, and there was a substantial increase in population and a moderate increase in trade. During the second period, that is from 1878 to 1896, there was what was called the protective tariff—what was adopted designedly as a protective tariff. During that period there was a small increase of population and an immense emigration, and there was stagnation in external trade. During the third period there was a slight lowering of tariffs, an immense increase in immigration and a very large increase in external trade. The fourth period is the war period with which I will not deal in detail. Now, my right hon. friend says "Do you mean to say that the slight decreases in the average duties in 1897 or 1901 had the effect of creating this immense increase in trade, this immense immigration?" I say that taking the figures as they stand alone I do not contend that it does. I do say this though, that one can easily underestimate the effect of a very slight marginal change in the price of a commodity. Sometimes a very slight change makes a tremendous difference in trade. My right hon. friend is probably familiar with the marginal theory of the mathematical economists.

Mr. MEIGHEN: My point, which I think the hon. member grasped, was this—that the increase of which he boasts took place with a country as respects which there was no decrease of duty at all; on the contrary there was a slight increase in duty.

Mr. HUDSON: I do not see that. You cannot take trade with one country alone; you have got to take trade with the world if you are going to estimate the effects of tariff changes.

Mr. MEIGHEN: You cannot do that. If as a matter of fact the trade which we have with one country comes under a lower tariff while the trade which we have with other countries is under a higher tariff you get nowhere at all by lumping the results together.

Mr. HUDSON: Certainly you do. I will leave with my right hon. friend the result of the facts I have given him. As I say, I do not contend that these changes in tariff were responsible for all the results. All that I say is that at any rate, at the very least, the effect of those tariff changes was not to depress trade. What was the cause of the increased trade and increased immigration, apart from tariff? There are only two other causes that I can think of. The first is that there was a very vigorous and able administration in Canada. The second is that the world conditions were such that they encouraged the investment of large capital in Canada and therefore immigration to Canada.

That is all I wish to say in regard to tariff; but now our external trade has become more important to us than it ever was. Canada has become in trade matters a world nation, and one of the great nations of the earth, in regard to international commerce. From 1868 until 1916 our trade balance was continually against us, with an aggregate of two billion dollars. That meant that we were borrowing money in immense sums and were not even paying interest. So that now the aggregate debt of Canada to the outside world is variously estimated at from three and a half billions to five billions of dollars. That means that we have an immense interest bill to pay to the outside world, and how are we going to pay it? Heretofore, or prior to 1916, we paid it by borrowing more money. We cannot do that now. We have got to a point where we cannot afford to do it. We have to pay our interest bill. We have a mortgage on the farm and have to pay our interest bill out of our earnings, and we are doing it this year—probably we may do it in the future—by virtue of the farmer, the forest man and the fisherman. They are the people who are supplying us with eighty-five per cent of our external trade, and they are the people we have to consider in the future. We have got to have industries in this country, it is true, but we have got to have industries that can do a little more than pull their own weight in the boat. We cannot afford to have industries that can only survive by artificial support.

Mr. MEIGHEN: What does the hon. member mean by saying that eighty-five per cent of our external trade is from the farm and the forest?

Mr. HUDSON: Exports.

Mr. MEIGHEN: Exports?

Mr. HUDSON: Yes. I think it is eighty-five per cent. Is that not correct?

Mr. ROBB: I have not the figures.

Mr. HUDSON: Somewhere about that.

Mr. MEIGHEN: It is not. The hon. gentleman must mean goods that have originated

on the farm and have gone through many processes of manufacture.

Mr. HUDSON: It would certainly include flour, butter, and so on.

Mr. MEIGHEN: But included in this class the hon. gentleman mentions alcohol, spirituous liquors and so on.

Mr. HUDSON: After all they do not amount to much.

Mr. MEIGHEN: The proportion of those manufactures would be over half.

Mr. HUDSON: Of the exports?

Mr. MEIGHEN: Of those things the hon. gentleman refers to as from the farm and forest.

Mr. HUDSON: Not at all. I have not the figures here, but I went into that two or three years ago, and the aggregate exports of agriculture, animal products and forest products —that is wood and wood pulp—amounted to eighty-five per cent. Yet the bulk of the agricultural products was wheat and flour, of course. Nearly forty per cent, if I recollect in the year I looked at—

Mr. MEIGHEN: Of the agricultural products, yes.

Mr. HUDSON: And animals and butter and cheese and all that sort of thing. I would include those in farm products.

Mr. MEIGHEN: And manufactured products too. When you add them all in it comes to far more than half of the eighty-five per cent.

Mr. HUDSON: They are in the early stage of manufacture. That stage of manufacture has a direct relation to the farmer.

Mr. MEIGHEN: Every stage has.

Mr. HUDSON: It is not a very direct relation sometimes. My right hon. friend referred to alcohol. I do not know what quantity of alcohol is manufactured in Canada and sold outside. I suppose there are a few million dollars' worth, but in the aggregate it would not be much.

Mr. MEIGHEN: I only give that as an example. There are hundreds of others.

Mr. HUDSON: What I say is that those are the industries. It is the industries that are based directly on the products of the farm and the forest that we have to pay attention to first, and these are the ones that really supply the life blood of our country. We want other industries of other kinds, but they must not be exotic. They must be able to pay their own way, or we will be paying out of our pockets for the maintenance of a luxury that we have no business to have.

Mr. MEIGHEN: For example, what? Can the hon. member give us an example?

Mr. HUDSON: I will say this: that any industry which is not able to support itself in the home market against competition from the outside world, providing that competition is not a dumping competition—

Mr. MEIGHEN: Dumping?

Mr. HUDSON: That is, if it is brought in at normal prices.

Mr. HOEY: Not at slaughter prices?

Mr. HUDSON: No.

Mr. MEIGHEN: The hon. member says that any industry that could not compete against German products, so long as those products are sold here at the prices at which they are sold in Germany should be allowed to die?

Mr. HUDSON: I say that it should not receive any special consideration from this government. I say that there are a lot of things we can do in this country better than any other people in the world, let us do them and let the people of other countries, who can do certain things better or cheaper than we can, do their part.

I should like to say just a word in regard to the kind of industries we ought to have here, the kind that are suitable to our climate and to our products.

Mr. LADNER: Before the hon. gentleman enters on that question, I thought he would touch upon the question of immigration, as to whether he had any idea as to why people left Canada and went to the United States during the period he was referring to. That seems to me to be an all-important question for solution to parliament.

Mr. HUDSON: I cannot do anything more than guess. I presume it is because they have been going into the United States ever since we have had a Canada. Perhaps it is because they had a better opportunity there, or thought they had a better opportunity, or because the lights are a little brighter over there, or the fortunes a little larger, or a hundred and one different things. That is the reason they pull out from here and go there, and the pull was stronger between 1881 and 1891 than at any other time.

Mr. HOEY: Climatic conditions.

Mr. LADNER: I do not wish to interrupt my hon. friend, but I think my question is pertinent to his remark. Does the hon. gentleman know that during the period he is referring to—take for example the year 1880, one of the periods he mentions—while the average duty on dutiable goods coming into Canada was 26 per cent the duty on goods going into the States was 44 per cent, and in 1901, while the average duty on goods coming into Canada was 27.5 per cent the duty was 49.64 per cent on goods going into the United States? My question is this: Would that not have an effect upon the wages and therefore would the reason why the people left here not be that they could get employment and salaries elsewhere?

Mr. HUDSON: I do not know why the Conservative party of that day did not raise the tariff to 40 or 50 per cent, if that were true.

Mr. LADNER: They would not know that fact until after the event.

Mr. HUDSON: They saw those people going away. There are one or two things that I would like to commend especially to the attention of the government. There are many industries that we have in this country and many that we ought to have which are based upon our basic productions, or which we are especially qualified to carry on and which ought to be able to compete successfully with the rest of the world. I think the government ought to give those industries all the support that it can in the way of providing for them markets, scientific research and support in other directions, and our Trade and Commerce department might very well be enlarged so as to provide for more and better trade commissioners in various parts of the world. We have an immense field for export trade in certain classes of manufactured goods, and those who undertake that work should get all the encouragement that the government can give them. I for one would be very glad to support an increased appropriation for the Trade and Commerce department for the purpose of doing what is being done by the Trade and Commerce department of the United States. Of course, we could not spend anything like the money they spend. but we could spend a great deal more with great advantage to this country. As regards our trade relations with the United States, that is a country where we ought to have people busy on the job day after day. The biggest and richest market in the world is there. and many opportunities might be available if we had the proper men there looking for them.

Mr. HOEY: How many trade commissioners have we down there now?

Mr. HUDSON: I got a return a short time ago showing that we had one trade commissioner in the United States and that the United States had in Canada ninety-eight representatives of various sorts, consuls, consuls-general, trade commissioners and so forth —ninety-eight to one. Of course those men are not necessarily all engaged in watching trade, but they are all on the job looking after the interests of the United States in a commercial way.

Mr. MEIGHEN: Is the hon. gentleman aware that in 1920 we brought in a proposal to follow the same policy as respects Canadian trade representatives in the United States that they follow here and that his party most bitterly opposed it?

Mr. HUDSON: I am not concerned with what was done by anybody in 1920. I do not care whether they opposed it or not. If the right hon. gentleman will submit a resolution supporting that, I shall be glad to vote with him. I think it is a necessary, useful and proper thing, and I do not think we can do anything better for the interests of this country.

Mr. ROBB: If I may make the record correct, the policy brought in by my right hon. friend was to bring in the equivalent of an export tax, because the policy of the United States is to charge a consular fee on all exports.

Mr. MEIGHEN: Yes, we proposed to do the same and to have agents in the same way. The hon. gentleman could not stand for it then. There is no other way of supporting them.

Mr. HUDSON: I have no authority to speak for this government. I vote against them sometimes and I vote for them sometimes. If they wish to take advice from me, I am giving it. If they will not take it, I have done my duty.

As regards the United States, another suggestion I would make is that we ought to have a representative at Washington. That is one thing that we need more than almost anything else, and I hope the government will find a way to send somebody there before very long.

From every quarter of this House there have come suggestions that there ought to be more co-operation between the railways; that they ought to cut out duplication of service, advertising and competition in various forms. I am firmly convinced that some-

thing of that sort must be done, because we cannot afford to go on as we are doing. I will not discuss this matter any further because it has already been referred to by a good many speakers. In that connection, I would suggest that the special Railway committee which is to sit on the Canadian National finances, and which has amongst its members many of the ablest men of all parties, should be specially instructed to take up that question and see what can be done. I do not think the government can be justified in standing still and saying: We asked these people to come together and they would not. It is up to the government to take a hand and enforce co-operation.

In conclusion, I think a high protective policy such as is advocated from some quarters is bad, because it failed before. It would be worse now than it was then because of our different position in the world, because we now have a great northwest filled with 2,000,000 people engaged in an industry which can be only impeded and not helped by any policy of that sort, because it has been abundantly proved that the Maritime provinces will be injured by it, because if such a policy were inaugurated, it would do more to drive a wedge between the different sections of this country than anything else that I can conceive of. For these reasons, I do not think the people of this country will ever support a protective policy.

Mr. M. E. MAYBEE (Northumberland, Ont.): Mr. Speaker, Canada to-day is in urgent need of some solution to our economic conditions that will bring about an industrial and agricultural awakening. This fact is forcibly brought to my attention by the condition in my own constituency.

The county of Northumberland, which I have the honour to represent, is engaged in various industrial pursuits as well as mixed farming. I regret to have to report that various industries have been compelled to close their doors owing to unfair competition from imports, and others are struggling on, holding by a mere thread. For instance, we have a shoe company located in the town of Campbellford of fifty years' standing, and in this connection I desire to read a letter addressed to me, dated March 7, 1925:

M. E. MAYBEE, Esq., M.P.,
Parliament Buildings,
Ottawa, Ont.

DEAR SIR,—In view of the depressed condition of trade through Canada, and the increasing importation of shoes from Great Britain, we are writing to ask you to use your influence for the purpose of attempting to remedy this condition of affairs.

[Mr. Hudson.]

We have been in business for 50 years and up until a couple of years ago our factory was run continuously without loss of a day's time. During the last two years, however, a change has been necessary, and particularly during the year that has just passed, we have only been able to give employment to our help for four days a week, and sometimes not even that.

You will easily see that this not only makes our help dissatisfied but also makes the cost of production very much greater, as instead of having steady production and a full week's time to carry our wages and overhead expenses, we are compelled to divide it over the four days in which we are working, and conditions are such that it seems impossible to make any headway.

We assure you that none in the shoe business is making excessive profits. During the past two years there have been a larger number of failures, we believe, than at any previous time. We, ourselves, lost more money during the past year than ever before.

We believe that if something can be done to remedy the present conditions so as to enable our workmen to work full time instead of losing time, as is being done at present, it will be a benefit to the workmen, to ourselves, and the general public, as things can then be produced at lower prices than they can be produced under present conditions.

Perhaps there is no necessity for us to write this to you as there is no doubt your influence would be exerted in the right direction in any case, but there will probably be no harm in keeping you informed as to the real conditions in the shoe trade.

Yours truly,

RICHARD WESTON
for
WESTON SHOE CO. LTD.

This is a striking illustration of the condition of the shoe industry. The statistics show that the quantity of shoes imported from Great Britain has increased 355 per cent in two years and 155 per cent in the last twelve months; a large quantity was also imported from Germany. Twenty more shoe factories have failed since the 1st of January, 1924. The wages paid to employees in Great Britain and Germany are much less than those paid here, and that consideration almost offsets the fifteen and three-quarter per cent preferential tariff on goods coming from Great Britain.

Another instance of the failure of industry in my constituency is that of the Cobourg Felt Company. The Cobourg Dye Company and the Cobourg Matting Company have been seriously affected by outside competition. Then, in the town of Trenton, adjoining my constituency, a very fine fertilizer plant has had to suspend operations due to the reductions in the duty on fertilizer. The Dominion Combing Mills in the same town have also had to struggle against the import of tops. Tops were imported during the year ending March 31st, 1924, according to the last trade returns available, to the amount of $4,047,674, and these came in free of duty. This concern is of great benefit to the farmers

of this community who are engaged in the production of wool. The closing of these industries or the reduction of their output has had a great deal to do with the unemployment situation in my county and is also seriously affecting the home market for our agricultural products.

With respect to agriculture we have one of the finest counties in the province of Ontario. We have a varied production, including dairying, fruit growing, bacon hogs, poultry products, vegetables, and beef cattle. Much interest is taken in dairying; our county has a good reputation in connection with the manufacture of butter and cheese. I think it would be preferable to have the cheese inspected and graded in the factories, from the point of view of the educational feature if for no other reason.

A great many dairy products are imported into Canada. According to the latest available trade returns the following milk products were imported during the year ending March 31, 1924:

	Value
Milk and cream	$ 30,570
Milk, condensed	45,907
Butter	613,041
Casein	53,354
Cheese	541,279
Total	$1,284,151

I consider that the tariff on butter and cheese should be increased until it is at least equal to that of the United States, which is eight cents a pound on butter and five cents a pound on cheese as against four cents a pound on butter and three cents a pound on cheese coming into Canada.

Many of our herds are being tested for accreditation and are making a good showing. We have many splendid herds of pure bred cattle, and I regret the action of the Minister of Agriculture (Mr. Motherwell) in lowering the scale of compensation.

Our county is one of the foremost in the province in the production of apples, as well as of numerous small fruits, having secured a wide reputation in many international exhibitions. Here again we are labouring under a decided disadvantage, owing to climatic conditions, especially in small fruits, as the United States growers, under natural conditions, can produce fruits much earlier than we can and by the time our fruits are on sale the markets are surfeited with United States fruits and our growers never get the top prices. According to the trade returns for the fiscal year ending March 31, 1924, the imports of fruit during that year were as follows:

	Value of Import
Apples (fresh)	$ 878,415
Apricots and quinces	105,443
Bananas	4,859,460
Wild berries	13,393
Berries	21,627
Cherries	105,978
Cranberries	220,013
Currants	241
Grapefruit	728,641
Grapes	874,941
Lemons	1,156,564
Melons	379,467
Oranges	5,871,752
Peaches	510,710
Pears	782,464
Pineapples	530,304
Plums	374,450
Strawberries	740,699
Other fruits	89,235

The total imports of fresh fruits from the British Empire was valued at $169,153, and of fresh fruits from foreign countries, $18,084,294. Total fruits including dried and canned fruits from the British Empire amounted to $774,683, and from foreign countries, $25,760,319. A great many of these fruits we ourselves can produce. A sufficient duty should be imposed to safeguard the Canadian market until Canadian fruit is available. I believe the fruit growers of Northumberland and Durham, as well as other organizations, have made representations to the government for relief, and I trust that these will be acted upon.

As a sideline with dairying, bacon hogs are being produced in considerable quantities in Northumberland. I think in this the grading system is producing beneficial results and while not yet perfect no doubt it will eventually attain success. We can produce just as good bacon as Denmark, and while the education of our producers may be slow, it will eventually be completed. Another sideline with dairying is the development of poultry products. Some are specializing in this line. Here again we are under a great handicap, accentuated largely by climatic conditions and lack of protection. Recently seven car loads of eggs arrived in Montreal on one day, and the effect was immediately felt in our market. While we are producing poultry under winter conditions, these products are being shipped in here from the south where they are produced under summer conditions. We impose a tariff of only 3 cents per dozen against them, while they charge 8 cents per dozen against ours. We find at the same time that eggs were imported for consumption to the value of $1,975,707, which includes $12,679 worth from Hong Kong, China. Adequate protection should be given the production of

day-old chicks. I believe that something over 1,000,000 of such chicks came into Canada last year. Rigid inspection should take place at the border for not only the European fowl pest but for all contagious diseases affecting fowl. The grading of eggs is imposing considerable hardship on the producer. Many local dealers are refusing to handle them altogether, due to the extra labor entailed, thereby curtailing the local market, and as the salaries of the inspectors for the last fiscal year were $42,112, some real advantage to the producer should be shown.

A great many potatoes, vegetables and garden stuffs are produced in Northumberland, and here we find unfair competition from United States imports, due to their climatic conditions, American products flooding our markets much earlier than we can produce the vegetables. I find for the same period that I quoted before we imported the following vegetables:

	Value
Cabbage	$ 273,933
Onions dutiable	362,358
Onions free	31,220
Potatoes	576,046
Tomatoes	1,033,154
Other vegetables	1,586,603

The total value of fresh vegetables imported from the British Empire amounted to $154,375, while from foreign countries our imports reached the huge total of $3,777,881. All of these vegetables could have been grown in Canada. Total vegetables during the same period including dried, canned and pickled vegetables from the British Empire to the value of $574,816, and from foreign countries, $4,904,884. While the grading of potatoes generally may be advisable, I see no reason why a market gardener, selling produce on a local market direct from producer to consumer, where the buyer can see what he is buying and in most cases knows the seller, should be obliged to grade and tag the commodity, thereby entailing considerable labour and expense.

The conditions existing in the county I represent apply very largely to Canada as a whole. There is a general demand throughout Canada for a consistent application of the tariff; first, for the raising of revenue, thereby obviating the necessity of objectionable direct taxation; and second, sufficient protection to stabilize our industrial and agricultural activities. A policy to develop our own natural resources is urgently required. From the port of Cobourg alone in my constituency, according to an answer to a question I placed on the order paper, in the fiscal years 1922, 1923, 1924 and

5 p.m.

up to February 28, 1925, 264,239 cords of pulpwood were exported. At $10 per cord this represents a value of $2,642,390. If we had exported this pulpwood in the form of newsprint, we would have received $18,496,730, and at least $13,211,950 would have gone into the pockets of Canadian workmen.

We would not know of the excellent conditions prevailing in Canada if we had not been told by the Prime Minister and his colleagues during their meanderings up and down this country. We do not require any novel ideas for constructive legislation to-day. Conditions are very similar to those of 1878, when the citizens of Canada decided by their franchise to inaugurate a National Policy to protect the industries and the people of this country. If they were wise in 1878, it does not take a great deal of acumen to see what would be wise in this present day. The depreciation of currency; the low cost of labour; the ruin of Europe—these things have exposed our markets in all directions, whether industrial or agricultural, to a competition that cannot survive under ordinary conditions. The question confronting us to-day is, what does Canada need to establish an atmosphere of confidence and prosperity? Something to encourage the investment of capital, primarily. Undoubtedly we need more population to assist us in our expenditure and produce commodities for railway transportation, but what folly to expend huge sums for immigration when we are unable to assimilate newcomers. British and American investors are awaiting the opportunity of consistent investments. But when thousands of industries have recently closed their doors, they do not appeal to these investors as consistent investments.

The present government is like a weather vane, constantly changing front according to the wind, promising all things to all people. As some of the people can be fooled all of the time, they have succeeded to that extent; but I believe the citizens of Canada are waiting for the opportunity to rise up in their might, as they did in 1911, and demand a sane policy for Canada. I do think that the situation in Canada at the present time is one which demands the most careful and earnest consideration of all classes of the people. I think we all agree that it is a grave one. There is a vein of discontent and of pessimistic feeling which is quite apparent as one travels through the country or listens to speeches made in the two Houses of Par-

liament; and there is also a buoyant and optimistic feeling, which refuses to lapse into pessimism—a feeling that if proper conditions are made to prevail the future of Canada is safe. The public debt has been increasing by millions since the war. Diminished indirect revenues mean greater direct taxation. The United States have greatly reduced their income tax, making this a greater incentive for investors to invest in United States. Other nations have reduced taxation and their indebtedness. We cannot live upon sentiment, and the average individual to-day does not believe he is prosperous unless he can see the actual returns for his labours. Sir Wilfrid Laurier once said in 1899 that if he became premier the people would not need statistics to tell them they were prosperous—"they would have the money in their pockets." The Prime Minister is trying to show we are wealthy by arithmetic, but all the figures in creation will not convince the Canadian people that they are prosperous because "they have not the money in their pockets." I think it was the hon. member for Fort William and Rainy River (Mr. Manion) who said: "Our unemployed are crying for bread and the premier gives them statistics."

To sum it all up we must have protection for all our activities. The hon. member for Queens (Mr. Mackinnon) referred to the British embargo on potatoes, which he considered an injustice. Great Britain also had an embargo on cattle. But I would direct the hon. member's attention to the fact that that is the most effective means of protection. While Great Britain's fiscal policy is generally known as the nearest approach to free trade of that of any nation, she does not hesitate to protect her agriculturists or her industrialists if found necessary.

The tariff is a weapon to defend ourselves, or an equalizer of conditions; a means whereby we can demand and get consideration in our trade agreements. It resolves itself into one of two things, either protection or annexation. The reduction on farm implements has proven to be a fiasco so far as any benefit to the farmer is concerned. As has been shown in this House:

Binders are $2 higher now than in 1921; disc drills, $10 higher; cultivators, $3 higher; harrows, $1.50 higher; disc harrows, $4 higher.

Production of farm machinery is greatly reduced, fully 50 per cent in 1924, partially due to the tariff, and partially due to general conditions and the present buying power of the farmer.

The fact that the government in their budget are proposing to raise the duty on a certain class of coal, goes to show that they recognize the fallacy of a free-trade policy, and the need of protecting our own resources, thereby admitting the wisdom of the national policy of protection. Canada is suffering from an impotent administration and until the sentiment of my right hon. leader's (Mr. Meighen) resolution is adopted will continue to suffer.

In conclusion, I wish to quote the words of Solomon in Proverbs XXIX, 2: "When the righteous are in authority the people rejoice, but when the wicked beareth rule the people mourn."

Mr. J. L. BROWN (Lisgar): Mr. Speaker, it was not my thought until a few minutes ago to take part in this debate at this time, but I thought that perhaps I might profitably, or unprofitably as the case may be, use up a few of the minutes that are left between now and six o'clock. There are a few thoughts that I would like to express on the budget that has been brought down, and on some of the questions that have been made matters of controversy.

In regard to the railway situation and the railway debt forming part of the debt of the country as a whole, it seems to me very desirable at the present time that there should be a distinction made in the two accounts. Some of us, of course, have very strongly advocated that the capitalization of the railways should be placed at its proper figure and the additional amount, of course, would be added to the ordinary debt of the country. Pending the coming of that time, it seems to me desirable that there should be a clear distinction made between our railway debt and the ordinary debt of the country. We all recognize that it really does not make any difference in the end, and it seems to me there has been a good deal of argument about things as to which there is in reality no difference of opinion. But still I can see some reasons why it is desirable that the two debts should be kept distinct. The railway obligations were incurred in a special manner, and apart from the ordinary financing of the country, and if the time comes when a portion of that should be put over against the consolidated debt of the country, I think it should be made very clear and distinct how much of the debt has been incurred because of our railway obligations. Therefore, until the time comes when we have done that, it seems to me very desirable that we should separate the two accounts. Indeed, I think it would be well if we could separate our accounts still further. I think it would be well if we had a clear and definite statement, or as near as possible as

it can be arrived at, of the debt that properly should be attributed to the war. That would enable us and those who come after us to know just what sacrifices Canada made in regard to the war, and know just how much of the debt was incurred because of the situation in which we found ourselves in regard to the railways.

As regards the other matter that has been in dispute, the question of the so-called surplus, I must say that notwithstanding all that has been said to justify the statement that was made by the hon. Acting Minister of Finance, (Mr. Robb), I cannot persuade myself that that particular account in regard to Roumania and Greece is anything more than possibly a good asset, possibly a better secured asset than it was before. Nevertheless that amount should not have been counted as either revenue or surplus.

There is one other matter that has been referred to and upon which I would like to express a few thoughts, and that is on the export of electrical power. I thought perhaps the hon. member for Brome (Mr. McMaster) would deal with a phase of the matter I have in mind when he spoke, but he did not do so.

So far as the exporting of power in itself is concerned, and the taking of a revenue therefrom, I would have no objection to that if it would not possibly involve us in difficulties in the future. I can well understand how the adoption of the principle of exporting power might possibly build up in the United States industries that depended upon that power, and if the time came, as we would all like it to come, when we would need all that power for ourselves, we might then very well find that vested interests had been created, and that we could not interfere with the export of power without creating a great deal of friction between ourselves and our neighbours to the south. I would therefore urge the utmost caution in that regard, for it seems to me that in this particular case we might possibly find ourselves involved in a situation that would be fraught with difficulties.

There are two or three things that I want to say in regard to the propositions that are being advanced by those who are traditionally the protectionist party. There have already been a good many gibes thrown at them over their panacea for every ill, but perhaps I may be pardoned for making another. About fifty yars ago or more, there was a craze in the Old Country in regard to the so-called curative properties of blue glass. It was supposed that if people could only live under blue glass they would be cured from almost any disease. There was a popular comic song that went the rounds of the music halls about it; and I know it got as far as the prairies forty years ago through an ex-music hall singer. I can only remember a little bit of it, but one line went something like this: "Put a single baby in a blue glass cradle, and it's sure to turn to twins," and the refrain went like this:

> Blue glass, blue glass,
> The great discovery sure,
> If you ever get sick
> You can cure it up quick
> By trying the blue glass cure.

It seems to me some such thought is behind the idea of those who advocate that high protection will be a cure for all our diseases and a remedy for all our economic ills.

I would like to pay a little attention to some of the things that were said by the hon. member for Fort William and Rainy River (Mr. Manion). I am sorry he is not here, but as I may not have an opportunity of speaking in his presence, I will have to say what I have to say now. Some time ago, in the early part of this session, the hon. member for Fort William and Rainy River undertook to prove that the tariff was not always a tax, and I should like to criticize some of the arguments that he used to support his contention. I only hope that the hon. member in question is a better doctor than he is a logician, and that for the sake of his patients he is more correct in his diagnoses than he is when he undertakes to handle some of these tariff matters in the House of Commons. You will remember that he undertook to prove that a tariff was not a tax by citing facts that were given by Mr. F. W. Stewart of Montreal. He cited the statement that certain articles of clothing were higher priced in the United States than they are in Canada. At the time I called his attention to the fact that a proper comparison would have been one made between the prices in Great Britain and in Canada. He certainly does not do anything to prove his point when he quotes the prices in Canada and compares them with prices in a country where they have still higher protection. So far as proving his point is concerned the hon. gentleman absolutely falls down. The tariff is a tax on us if the price that we have to pay is greater than we can secure the article for from the cheapest source of supply not from a country so highly protected as the United States. Therefore, from that standpoint the hon. member entirely failed to prove his point. He thought to further prove it by referring to the fact that steel rails at one

time had been imported into the United States at $150 a ton. In 1872, he says, five years after, they raised the duty on steel rails and instead of costing $150 a ton they cost $112 and he asked:

> Where in that case was the tax that the Prime Minister states the tariff is? In 1876, four years after that, steel rails cost only $39 a ton or about one-quarter of what they cost in 1867. In 1885, still under the same tariff, they were costing $27 a ton, at which price they practically remained until prior to the war.

Now when a person undertakes to deal with a problem he must take all the factors of the problem into account and unless the hon. member can show us that the prices in other places where they make rails were greater than in the United States—I have not the figures for the rails that might have been procured in Great Britain and Germany at the time—his argument fails. I contend it is up to the hon. gentleman to show us that $27 a ton, was less than steel rails could be procured for in other places, and until he can show that he certainly has not proved his point that the tariff is not a tax.

The hon. member for Lincoln (Mr. Chaplin) was a little exercised over this matter yesterday and he instanced and just as illogically the duty that is levied by the United States against our wheat. He wants to know who pays the duty. Well, for practical purposes, there is no duty paid by anybody. When the wheat enters the United States there is a duty paid and it is rebated when the flour is exported with very few exceptions. In that case, however, there is no duty paid, and if under the present conditions of the grain trade with the prices prevailing in Canada and the United States a small portion of that wheat enters the United States for consumption the United States consumer undoubtedly pays the duty. But so far as wheat is concerned nobody pays the duty at the present time to all practical purposes because it is rebated. Personally I have never been one, certainly for very many years, who has argued that the consumer pays the duty under all circumstances. That will depend in the first instance very largely upon where the market is made. If we are in a position to fix the prices, if the market is fixed here on the things that we import, then possibly we may find ourselves in a position to secure part of the duty from those who export to us; but that simply is not the case in regard to the great mass of Canadian imports and speaking generally, and with very few exceptions so far as Canada is concerned, the consumer pays the duty, because we are not in a position to exercise any very great influence upon the market prices of any of the commodities we purchase.

There is another matter which the hon. member for Fort William and Rainy River referred to in his address on the budget a few days ago, and that is in regard to the imports of produce that could be grown in Canada. The hon. member for Northumberland (Mr. Maybee) who spoke just before me qualified the statement by saying that much of this can be produced in Canada; but as I refer to the remarks of the hon. member for Fort William and Rainy River in Hansard I do not find he made any qualification at all. He simply made the statement that these commodities could be produced in Canada. Now, I took only a few items from the list that he quoted at that time, I only had time to go into those although possibly I might have found something very interesting if I had looked up some of the others. But if you turn up the speech of the hon. member (Mr. Manion) you will find that in the list of goods he quoted as goods which could be produced in Canada there were $25,000,000 worth of fruit. The hon. member did not make any qualification; he said "These can be produced in Canada." I took occasion to look up the trade returns from the same volume as that from which he quoted—the trade returns for the financial year ending March 31, 1924—and I find there were $27,285,773 worth of fruit imported, made up as follows:

Fresh fruits	$ 18,253,447
Dried fruits	6,095,388
Fruits otherwise prepared	1,936,938
Total	$ 27,285,773

Then I examined the list further—I wanted to examine it fairly and see just how much of this amount of fruit we could possibly expect to be produced in Canada—and I took the list very much as the hon. member who immediately preceded me this afternoon did; as far as I have taken the figures we both agree, except that he read the figures of the imports of grapefruit, oranges, and all such things, which nobody contends could be grown in Canada and which I have not heard anybody advocate should be excluded. Now let me take the figures of fruits that can be produced in Canada:

Fresh fruits

Apples	$ 878,415
Apricots, Quinces, Nectarines	105,443
Wild berries	12,304
Berries	21,627
Cherries	105,978
Cranberries	220,013
Grapes	874,941
Melons	379,467

Fresh fruits—*Concluded.*

Peaches	510,710
Pears	782,464
Plums	374,450
Strawberries	740,699
All other fruits	24,347
Total	$5,040,858

Now, in that respect I contend that I have been very liberal, and I have included $379,000 worth of melons. Will anybody seriously contend that Canada could produce the melons that come into Canada, both in eastern Canada and in the northwest, in many carloads? It may be contended that we should not use them, that we should exclude them, but no person would seriously contend that we could produce them in Canada. We can produce melons in Canada; we know that, but not in the quantities in which they are imported. The same may be said in regard to grapes. I find here an amount of $874,000, and yet we know that the Canadian fresh grapes are only on the market a very short time; therefore I imagine that that $874,000 is in very large measure made up of fruit that simply cannot be produced in Canada. We might say the same thing in regard to the $220,000 of cranberries, and possibly some of the other things as well. That is, the fresh fruit.

Now in regard to dried fruits I think I have been equally liberal in this matter. The figures are as follows:

Apples	$ 58,474
Apricots	167,933
Peaches	152,791
Prunes and plums	971,290
All others	96,664
Total	$ 1,647,152

That is for fresh fruits and dried fruits a total of $6,798,000. I am almost disposed to use some of the harsh language in regard to the hon. member for Fort William and Rainy River that he used in regard to the Acting Minister of Finance. There was another item in the list I gave that goes to make up the total of $27,000,000, in which I could not very well segregate those that might be produced in Canada from the total, and that is fruits otherwise prepared. But the total was less than $2,000,000. No person would seriously contend that Canada should cease the importation of oranges, bananas, grapefruit and melons. These contribute to and are necessary for the health of our people and are imported in large quantities, and we would continue to import them in large quantities even if a protectionist party should come into power.

[Mr. Brown.]

Another item which was referred to by the hon. member for Fort William and Rainy River is particularly interesting. He referred to hides imported into Canada. The figure given by the hon. member for that year was 49,000,000 pounds. Instead of taking it in pounds, I have taken it in dollars worth, and it is somewhat interesting.

The figures are:

Hides imported into Canada

Calf skins and kips (raw)	$ 1,189,535
Cattle skins (raw)	4,711,284
Sheep skins (raw)	722,551
Other hides, skins and pelts, (raw) n.o.p.	674,117
Total	$ 7,297,487

Then we have hides exported, because we cannot understand the matter by taking the imports alone. We must also take the leather that is manufactured from the hides. The hides exported are:

Calf, etc	$ 1,216,677
Cattle hides and skins, (raw) n.o.p	3,918,986
Horse hides	59,370
Sheep skins	417,434
Other hides and skins (raw) n.o.p	41,686
Total	$ 5,654,153

The excess of imports over exports of raw hides is $1,643,334. But we must consider the reason for the importation of these hides. What is the reason? Many of those raw hides that are imported are of varieties used only in the manufacture of such light leather wear as gloves, and so forth, which we do not produce in Canada. Then we must remember the situation as regards tanneries in the city of Kitchener. There are some large tanneries there. I am given to understand that those tanneries do not use a pound of Canadian hides. Now why? Because Canadian hides are not of a quality that suits their purpose. If Canadian hides were of a quality that suited their purpose, would these men go away down to the Argentine and bring hides from that country? It will be noted if these returns are examined that the great bulk of these cattle skins, the heavy hides, come from the Argentine and from the United States, and I think likely from the southern states, from the hot climates. I am given to understand by those who are familiar with this subject, that the cattle from the warm climates produce a heavier hide, more suitable for sole leather and heavy leather belting than our northern hides—that our northern hides are simply not suitable for this purpose. These tanneries import these cattle skins to the amount of $4,771,284. What do they do with the hides. They tan them and export them. It is surely good protectionist doctrine, is it not, to encourage industry, and to encourage

manufacturers, and surely these gentlemen who would advocate the exclusion of the hides or the putting of an impossible duty upon them, would not go so far as to deprive their factories that they are so fond of talking about of their raw product which it is necessary for them to have in order to continue operations.

What about the unmanufactured leather they export? These tanneries export leather to the amount of $5,633,581, and we import leather to the amount of $4,170,628. That means that there is an excess of exports over imports of $1,462,953, and remember that in those imports of leather are also large amounts that are made up of dressed glossed leather of various kinds that is not produced in Canada at all. So that the result of putting an embargo or a high protective duty against these hides from South America and from the United States would be that the tanneries—and I am told there are two very large ones in Kitchener, I understand among the largest in America—would be compelled to go out of business, because they could not get the raw product. That is the way our hon. friends to my right want to help some of our manufacturers.

But there is another figure here which is somewhat interesting. We exported to the United States $4,163,278 worth of leather and we imported from the United States $3,342,616 worth. That means an excess of exports over imports of leather to the United States of $820,662. I would advise the hon. member for Fort William and Rainy River and the hon. member for South Oxford (Mr. Sutherland), who is frequently harping upon this matter, to search into some of these things a little more closely and just see what would be the result of the application of the principle that they wish to apply as a remedy for all evils of the body politic.

Another matter I thought of dealing with has been dealt with so ably by the hon. member for Nipissing (Mr. Lapierre) that I do not think I will say much in regard to it. I refer to the question of the export of pulpwood and the placing of an embargo on the export of pulpwood. The hon. member who spoke on that subject has evidently given a great deal of thought to it, and I admit he is much more competent to speak with authority on it than I can be since he is intimately in touch with it, but he expressed admirably the sentiments that I hold in regard to it. The weakness of those who advocate the embargo lies in this that they tangle it up with the principle of conservation. They tell us, when we express opposition to an embargo, that new pulpmills coming in would take care of the products of the forests, of the interests of the backwood settlers, by the establishment of new mills. Then, as regards the conservation of the forests, it does not make a particle of difference whether that pulpwood is used by the mills we have in Canada or by the American mills where they are to-day. I listened with a great deal of interest to the hon. member for Nanaimo (Mr. Dickie) when he was speaking on this question the other night, and my attitude towards this whole question of forest conservation is intensely sympathetic. To me, there is no greater tragedy than to go through the great devastated areas that we see between here and Winnipeg, through British Columbia and along the Pacific coast. It is one of the greatest tragedies that we could possibly witness, and the generation that comes after us will hold as an account against us that we have been so prodigal in dissipating the tremendous timber resources that we fell heir to. So when I speak on this matter, I speak as one who cannot go to cut down a tree without feeling some qualms of conscience over it, because we live in a country where there are not very many trees. When I listened to the hon. member for Nanaimo, speaking sometimes almost with tears in his voice,—and I sympathized with him—of the destruction of our forests on the one hand and then, on the other, speaking with enthusiasm of the great manufacturing plants growing up on the Pacific coast that would take care of all the logs that could be cut, I wondered where he stood in the matter. The only remedy that will be useful in the conservation of timber is simply to cease cutting timber, and there is no more important duty that this parliament is faced with than that of devising some well-considered policy of conservation, fire protection and reforestation. This is a duty for parliaments, for governments. It is true that here and there are individuals who have done a great deal of valuable work in reforestation. But it is only the exceptional individual who will plant a forest for the benefit of posterity. This is a work that must be done by governments, and for my part I am prepared to support a very much larger appropriation than has ever yet been made for the prevention of fire and for the reforestation of those areas of Canada that have been so sadly swept by fire.

Mr. GOOD: Does the hon. member know the proportion between the quantity that is destroyed by fire and the quantity that is cut?

Mr. BROWN: I have seen the figures given, but just at present I would not like to make a statement. I understand, gener-

ally speaking, the quantity destroyed by fire is far in excess of what is used in all departments. If we are going to use export taxes or embargoes, since there are people who are so fond of advocating an export duty on wheat, I must say that it would not hurt us very much in the prairie provinces if they would put an export duty on rough lumber. I trust the Acting Minister of Finance will not misunderstand me as definitely advocating that.

Mr. ROBB: I was just going to ask that question to make the point clear.

Mr. BROWN: I am not going to advocate it. To do so would be a violation of our principles and we must be consistent in those matters.

Mr. MEIGHEN: It would not do to do that even if it was right.

Mr. BROWN: If it had the effect, as it might well have, of enabling us on the prairies to get cheaper lumber, perhaps we might be forgiven. The other day the hon. member for Southeast Grey (Miss Macphail) depicted the conditions in which the miners were living. I was thinking—and many of us can testify to this—that there are thousands of people in the western provinces who, because of the high prices of lumber, made high by the high freight rates, and because immense quantities of timber that we sometimes think we ought to have a share of, are shipped to foreign countries, are at present unable to buy timber to make comfortable homes for themselves or for their cattle. Therefore, if we are going to talk about the principle of embargoes on exports or even export duties, we should take into account the question of export duty on rough lumber. After all, how much difference is there between shipping a log and shipping timber that has been sawn on four sides? I found out when I was at Vancouver a year ago that practically all the timber shipments to Japan are simply rough sawn. I am told that the logs are dressed down, sized a little. After all, there is not much difference between shipping a log and shipping a piece of timber sawn on four sides. The amount of labour involved in putting it into that condition is pitifully small.

There is another matter to which I should like some of our friends who are opposed to the exportation of raw material to give a little thought. A little pamphlet came into our hands yesterday, evidently sent to us by a good protectionist, and I wish to refer to this passage in it. It was pointed out that Canada exports to the United States five cents worth of timber and the United States takes that and makes a chair worth five dollars. Of course, the argument is that we should make all those chairs at home. It is like the old argument that we should turn a ton of steel into watch-springs and how much more valuable the steel would be if we would put enough work on it to turn it into watch-springs. The argument in this little pamphlet was evidently that we should manufacture all our lumber into chairs. When I read that I remembered what a former member of this House, a furniture manufacturer, told me a few weeks ago. He said that there were enough furniture factories in Canada to make furniture for twenty million people. If that statement is true, hon. members can see the absurdity of pointing out, as an argument against the export of our raw material, that the United States make $4.95 out of our five cents worth of lumber. These are some of the absurdities into which hon. gentlemen are led when they pursue their policy, as they evidently intend to pursue it, to the extreme.

Mr. MEIGHEN: Will the hon. member permit a question? Is it not equally true that there are enough lumber mills in Canada to make lumber for five times the farm homes we have?

Mr. BROWN: But unfortunately we cannot get it.

Mr. MEIGHEN: Is that not exactly the argument he is using now to show that we should not have any export duty on lumber?

Mr. BROWN: The question of export duty on lumber was only introduced as a side issue; I did not make a serious argument on that point. I may say that another document came into our hands just a day or two ago, issued by a man named Seeley—I do not know whether he is the Seeley referred to in a former debate—

Mr. MEIGHEN: It is not a question of what power we have to manufacture; it is a question of the preservation of our raw material, and it applies equally to any irreplaceable material, whether it is for farm homes or for chairs.

Mr. BROWN: There is where the right hon. gentleman and his party fall down; they tangle up the question of conservation with the question of the export.

Mr. MEIGHEN: It is the hon. member who is tangling it up. I was straightening him out.

Mr. BROWN: I am not at all tangled in the matter. I insist that the one argu-

ment contradicts the other. On the one hand my hon. friends come forward with a policy in regard to pulpwood which they say will tend to the conservation of the forests, and on the other hand they tell us that home industry will take care of an equal amount or perhaps more. That is the inconsistency of the argument.

Mr. MEIGHEN: No, not at all—preserve it for the future.

Mr. BROWN: Any logical policy of conservation of the forests will certainly meet with my support.

On motion of Mr. Murdock the debate was adjourned.

At six o'clock the House adjourned, without question being put, pursuant to rule, until Tuesday, April 14.

Tuesday, April 14, 1925

The House met at three o'clock.

THE BUDGET

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

The House resumed from Wednesday, April 8, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Hon. JAMES MURDOCK (Minister of Labour): Mr. Speaker, I am now going to undertake my maiden budget speech. I would not have undertaken to interject a number of thoughts into this debate except for the fact that there appear to have been very many things said on the opposite side of the House, very many matters referred to, that should be put right—matters upon which hon. members should at least have the viewpoint of others; and when I say others I do not mean particularly my own views. I shall deal with a number of subjects that have been under discussion in this House—unemployment, the tariff, and very many other questions that hon. gentlemen opposite have interested themselves in.

I want to commence—and I regret that the hon. member for East Calgary (Mr. Irvine) is not in his seat—by referring to certain matters that that hon. gentleman has brought before the House. During the debate here on Wednesday last the hon. gentleman referred to me. He was dealing with the question of the Civil Service Commission having exclusive jurisdiction over the fixing of the salaries of civil servants and he said: "Has the government made no effort at all to remove any such discrimination if such discrimination exists?" He had at the previous sitting of the House, as well as at the particular sitting in question, indicated that there was discrimination between the salaries of male and female employees in the civil service, and that the government should of its own motion remove that discrimination. I had stated that the government had no authority other than was given in the Civil Service Act, section 45B, which provides that the Civil Service Commission shall fix the rates of pay of civil servants, such rates to become effective on approval by the Governor in Council. And so my hon. friend at the last sitting of the House said: "Has the government made no effort at all to remove any such discrimination if discrimination exists?" I would respectfully refer my hon. friend to a perusal of the files of parliament last year wherein he will find that in the case of the postal workers the recommendation of the Civil Service Commission was sent back to that body three times by the Governor in Council without any result; and finally the recommendation of the commission was approved by the Governor in Council because evidently it was impossible to persuade the commission that any changes were advisable or necessary.

Then the same hon. gentleman, at a former sitting of the House, drew the attention of the government to a specific instance of distress and lack of employment on the part of a newly arrived immigrant into Canada. He cited a specific instance and read into the record a letter which will be found at page 1459 of Hansard. This letter referred to an individual immigrant who had come to Canada and who, according to the letter of that particular immigrant, had suffered great hardship and distress since his arrival. At the time I asked the hon. gentleman if he would give me the name of the immigrant in question and he very kindly sent the name to me across the floor. I at once took the matter up with the Deputy Minister of Immigration and, again without making public the name of the individual in this House, I want to read the reply of the deputy minister as it affects this particular individual in whom my hon. friend from East Calgary manifested such marked interest. The letter from the Deputy Minister of Immigration is dated March 24, and states:

> I have received your message, covering a letter read by one of the members of parliament in reference to an immigrant at Calgary, and, as the name was given to you in confidence, it is not mentioned in this memorandum. There is no question that the record is a proof that we should not have allowed this family entry into Canada. It is a pity that, with all we have endeavoured to do for this man, he has in no way attempted

to meet the conditions here. The family arrived in August of last year. It consisted of the father, mother and three children, aged 4 years, 2 years and 2 months. The father was 24 years and the mother 23. They were immediately placed in a vacant Land Settlement Board property near Condor, Alta. Work was obtained for the father with Mr. H. Meeres, a farmer of that district. The family had only $1.40 on landing and Mr. Meeres at once spent $50.50 towards getting furniture and supplies for them. They were only there two weeks when they became discontented and wrote in to the Land Settlement office that they wished to leave. The supervisor called on them on September 9th; talked the matter over with the family and they decided to remain.

On October 9th the Land Settlement office was advised that, despite all the advances made by Mr. Meeres, the head of the family had left his employment and had gone to work for another farmer. The latter he also left without giving any notice.

The man being out of work, our Land Settlement office took up for a second time the question of employment for him and secured work with a farmer named Bice at Condor, Alta. Mr. Bice undertook to give this man work not only during threshing and during the subsequent fall work but also undertook to give him employment during the winter months cutting posts, but Bice informed the supervisor on October 19th that the family was practically useless to him.

Another position was then found with a farmer at Blackfalds, where the family proceeded on November 4th. This farmer provided them with a cottage in which to reside. On November 13th the Land Settlement Supervisor visited them but the immigrant refused to accept work, stating that his wife would not go out to farm and that she wished to be deported.

The family were then taken to Red Deer, where work was procured for the father at Greencourt with a lumber company who offered to give him steady winter employment. Nothing further was heard by the Land Settlement office of either the man or family until the immigrant turned up in Calgary on December 20th. Two days later he called at the Land Settlement office and was informed that work could be obtained for him, although it would take a few days. The immigrant advised the officials that he did not wish to go out into the country until after Christmas. He called again on January 2nd and informed the Land Settlement officers that he had himself located a position and did not desire to go to the country.

According to letters, appearing in the press, this immigrant still wishes to be deported, although he has secured a permanent job with the Consumers' Milk Company at $75 per month.

The facts in connection with this case show that the immigrant has been placed in no less than seven different positions by the Land Settlement branch, none of which he retained for any length of time and in several instances leaving his employers in bad circumstances in so far as farm labour is concerned. Although in a permanent position at Calgary at $75 per month, he is still writing to the papers and wishing to be deported.

And those, Mr. Speaker, appear to be the facts of the case in regard to which we heard so much a short time ago, and on account of which this government was so wrongly condemned, in so far as its immigration policy was concerned. Again I am sorry my hon. friend is not in the House, because I have something that should be of special interest to him, considering that he is one of the representatives from Calgary. I notice that the hon. gentleman representing West Calgary (Mr. Shaw) is here and I am sure he will bring this matter to the attention of our hon. friend. I have here a clipping from the Calgary Herald dated April 3, 1925, and of course I would expect, if my hon. friend from East Calgary (Mr. Irvine) were in the House, that he might raise objection to the accuracy of anything emanating from the Calgary Herald. He might intimate that it was not altogether sound and fair in so far as these matters are concerned. Be that as it may, this article in the Calgary Herald of April 3 is captioned in large headlines and reads:

Refusing to accept jobs, two hundred men ordered out of labour bureau.

Majority of them alleged to be persistent idlers, and when Superintendent Carnill fails to persuade even one to take farm work, he closes door on them. Civic authorities checking up situation and police are making an investigation. Farm hands may have to be imported.

I notice in this article, which is of considerable length, a statement which is alleged to have been made by the acting mayor, Dr. T. W. Crawford and Commissioner A. G. Graves, in which they are supposed to have said:

"These men have been hanging around the city the best part of the winter", said the acting mayor, "and it will be necessary for the civic authorities to take some action to see that they either go to work or move on. You can say that we are going to take some action to get these loafers out of the city but we haven't definitely decided what that will be."

I would not, Mr. Speaker, for one moment suggest that this is even a fair sample of those citizens of Calgary who have been out of work during the past winter. I only call these particular circumstances to the attention of the House because my hon. friend from East Calgary laid so much stress upon the case of the individual in regard to whom I read a letter from the Deputy Minister of Immigration a short time ago, and I am sure my hon. friend from East Calgary would not undertake to justify actions or an attitude such as is indicated by the letter from the Deputy Minister of Immigration, or such as is indicated in this newspaper clipping which I have just read.

Mr. IRVINE: I understood my hon. friend to say that this man to whom he refers was really an unfit citizen. My point then was that the government should not have brought him here; and I understood that under the government's supervision he was collected and brought to this country.

Mr. MURDOCK: If my hon. friend had been in his seat he would not have had any such misunderstanding.

Mr. FORKE: He was in the gallery.

Mr. MURDOCK: There is nothing in the record that I can see that this young man of twenty-four years of age and his wife who

was twenty-three years of age were not perfectly fit and proper subjects for citizenship in this great Dominion. The only trouble appears to have been that, for what reason we do not know, the young man was offered seven jobs, and evidently, at the time my hon. friend was speaking in this House, was holding a job at $75 a month, and was still contending that Canada was no good to him and praying for deportation. I do not know but that deportation possibly is the best thing under the circumstances, and I think that that is what the department has now under consideration.

For a few moments now I will turn to certain references made by my hon. friend from East Calgary in his speech of April 7 on the budget. He proceeded, by various figures, which I assume are quite accurate, to show that the per capita debt of Canada is $548 per head, or an average per capita debt of $2,740 for a family of five. I regard it as rather unfortunate that the hon. gentleman did not in any way indicate how it came about that this country of ours has at this time such an enormous burden of debt. There was no criticism by the hon. member on account of the fact that during the war, when the government and Canadians as a whole were doing everything possible to win the war and were regarding the winning of the war as the most important thing to be accomplished, the government in power then and for several years after the war did not undertake to reasonably lighten that enormous burden of taxation of which the hon. gentleman makes so much, and places solely at the door of this government. It seems to me that if the hon. gentleman, speaking for labour, had desired to be reasonably fair and consistent, as my experience indicates representatives of labour do desire to be, he would in some slight measure have dealt with the question of whether the previous government should not have undertaken to pay their way as they went along during the period of the war, when millionaires in certain cases were being made over night, in very brief periods at least, on account of the exorbitant profits that they were enabled to make as a result of war conditions. That it seems to me would have been a fair position to take if the hon. gentleman had felt so inclined.

A little further on in the course of my hon. friend's speech he made reference to the Liberal platform, and hon. gentlemen will have observed with what sweeping haste he passed over each item of that platform one after the other, only in casual reference and away to one side, and not with the thought of dealing accurately and consistently with each item. He referred early in the course of his remarks to the obligations placed upon Canada as a member of the League of Nations, to the obligations placed upon Canada holding membership in the International Labour Office of the League of Nations, and he endeavoured, it seemed to me, to convince this House that no step and no action had been taken by Canada in order to ensure social justice for the workers of Canada, which was exactly what was contemplated when part XIII of the treaty of Peace was framed, to ensure social justice for the workers of the world. The hon. member for East Calgary (Mr. Irvine) never bothered to indicate that Canada, as he well knows if he cares to analyze, stands pretty high amongst the nations of the world in its considerate and decent treatment of labour, and that, even before it was found necessary to incorporate part XIII into the treaty of Peace for the purpose of ensuring social justice to the workers of the world, Canada had gone a long way in the direction of securing for the workers of the world many of the things which are only now being developed in certain other countries. So we find the hon. gentleman going to great lengths in order to show that this government had done nothing whatever. It seems to me that he made one mistake. While referring to the Liberal platform, he had occasion to read a part of its preamble and a number of its paragraph terms. He read this:

> Resolved, that the committee recommends that the National Liberal convention accept in their entirety as a part of the Liberal platform, in the spirit they have been framed and so far as the special circumstances of the country will permit.

Then he proceeded to enumerate; but the proposal which my hon. friend overlooked was that the agreement was that these were to be accepted—

> As a part of the Liberal platform, in the spirit they have been framed and so far as the special circumstances of the country will permit.

Does my hon. friend, claiming to represent labour in this House, come here and, just after arguing that the tax burden on a family of five in Canada was $2,740 per annum, contend that, even so, every one of the proposals in the platform of the Liberal party, regardless of how many millions of dollars were involved, was to be here and now inaugurated and made effective, and that this government was entitled to the condemnation of this House and of the people of Canada because that had not been done? I do not think my hon. friend even talked about the question sensibly and I can hardly believe he was serious. Let me assure my hon. friend that a number of the questions that he so casually refers to have been dealt with to a much greater extent than the hon.

member appeared to know when he was discussing the matter.

But there is one other matter upon which I wish to speak as referring to the hon. member for East Calgary. I accepted money for considerably over twenty years to represent labour. I was not fired in the final analysis. I understood and I have documentary evidence to the effect that my services were fairly satisfactory; but I know nothing of the aims, ambitions and contentions of labour, and all my experience in those twenty years has been for naught if the declarations and claims of my hon. friend are the real aims, claims and ambitions of labour. Let me, if I may, because time is passing, refer to one. We found the hon. gentleman preaching what, with my knowledge of the aims and claims of labour, is the rankest kind of heresy in this House, as we heard him on the floor of this House make this statement:

> All that I am contending for at the present time is that combines are necessary; combines are not necessarily evil, but combines cannot be broken, and even, if they could be broken, it would be very bad business.

If labour generally throughout the length and breadth of Canada does not repudiate that doctrine as the rankest kind of heresy, then I know nothing about the views of labour. We found the hon. gentleman, as he always is, extremely eloquent in asserting that the government had decided to attempt this reactionary move. What reactionary move? To undertake to interfere, I suppose he would say, with the natural and orderly processes of business in the form of a combination, no matter how much that combination might be sapping the life or industrial blood of this country.

Mr. IRVINE: Will the minister really say that it is not a viewpoint generally held by labour that combines are a natural outcome of the industrial process?

Mr. MURDOCK: Yes, I will go that far with my hon. friend and admit that combines are largely the outgrowth of our present industrial processes; but that does not for one moment prove that they should not be grappled with, if detrimental to the interests of the people of this country.

Mr. IRVINE: Did I not point out also that they should be grappled with, but in a different way from that in which the government was grappling with them?

Mr. MURDOCK: If my hon. friend did, I overlooked it entirely and I searched for evidence of that. I have read to the House the hon. gentleman's language. It is very specific and definite.

[Mr. Murdock.]

Mr. IRVINE: Let the minister read some more of it.

Mr. MURDOCK: I do not believe it stands for any qualification. It says:

> But combines cannot be broken, and even if they could be broken, it would be very bad business.

I will leave it for labour to determine whether that is proper gospel or just rank heresy.

Mr. IRVINE: I have no doubt what labour will think if they read the rest of the passage.

Mr. MURDOCK: I come now to another matter upon which I think some discussion should be held and that is the question that has been made so much of in this House and elsewhere throughout the country, a question upon which we note in the Tory papers gentlemen are speaking in various parts of Canada as aspirants for preferment in the next federal election. The leader of the opposition (Mr. Meighen) some time ago in this House intimated that some 2,000 factories had been closed and he was very insistent to the extent of saying, "By the figure 2,000 I am prepared to stand." It seems as though that deserves a little analysis. Last fall there was held in the city of Ottawa a convention composed of the mayors of eleven of the important cities of Canada, representatives of the two large railways, eight of the provinces, the Trade and Labour Congress of Canada, the Canadian Manufacturers' Association and some others, for the purpose of considering the advisability of determining in conference of those charged with the responsibility of expending public money, either in the provinces or the cities as well as representatives of the federal government, and to devise some uniform plan whereby winter work could be carried on to as great an extent as possible, even though such work had heretofore been done during summer only, for the reason that it was cheaper to do it that way. At the conference there were four representatives of the Canadian Manufacturers' Association, and rather early in the proceedings one of those gentlemen got away from the object of the conference and attempted to decide by resolution what was going to be the cure-all for the particular question we had under consideration. His proposal was to convene a special session of parliament to increase the tariff and by that means to take care of the ills which we were supposed to have met to deal with. During the course of his remarks this distinguished gentleman made a declaration which I desire to bring to the attention of the House. He said that 1,351 factories

had been closed down in Canada during the past two years—and the House will remember that this was in September, 1924. He was asked whether he would be good enough to give us the names of those factories and their location and he replied, "I shall be glad to supply that information but I have not got it here." We waited for some time for the information and as it was not forthcoming we wrote and asked him for it. On October 25 there came to the office in consequence a considerable list, but it showed simply the article affected as well as the place of manufacture: for instance, we found on the list, "Tools, Windsor, Ontario; chains, Hamilton, Ontario." So indefinite was the statement that it could not be checked and we felt that this was not the information that had been promised us. We therefore wrote for further information, calling the attention of the hon. gentleman to certain peculiarities in his statement in regard to the factories which it was claimed had been closed down. For example, a honey factory had been closed at Lambeth and another honey factory at Listowel.

Mr. MEIGHEN: The minister says that he wrote to "the hon. gentleman" calling his attention to certain things.

Mr. MURDOCK: I said, distinguished gentleman.

Mr. MEIGHEN: Oh, it can't be me then; who was it?

Mr. MURDOCK: My right hon. friend is too touchy; he will know that I am referring to him when I do so. In the meantime I am dealing with the statements of an officer of the Canadian Manufacturers' Association who at a conference in Ottawa had agreed to give us a list of the names, with the location in each case, of 1,351 factories which he said had been closed down. He gave certain information which we considered not all that had been promised and we therefore wrote him for additional facts. We found that a honey factory had been closed at Lambeth and another at Listowel; a shipyard had been closed at Canning, Nova Scotia, and a corn cure and foot comforts factory at Niagara Falls; an oleomargarine factory had also been closed at Quebec, and many others were on the list. We intimated, as I have said, that this was not satisfactory, so a little later, to be exact, on January 26, there was prepared a list signed by this gentleman and handed to me on January 31 by an officer of the Canadian Manufacturers' Association. This list disclosed on analysis some very peculiar oversights. In the first place there were only 1,251 names of factories, of which 761, or 61 per cent, were found not to be listed by R. G. Dun & Company as carrying on business on or after January 1, 1923. Then, 152, or 12 per cent—those gentlemen who have been talking about factories closing down might pay attention to this—were listed as in business in January 1923 and in January 1925, according to R. G. Dun & Company; while 22, or 1.7 per cent, were not listed in January 1923 but were in business in January 1925. Again, 307, or 24.5 per cent, went out of business between January 1923 and January 1925, this number including firms that failed and firms that withdrew from business for other reasons. The representative of the Canadian Manufacturers' Association had stated at the conference in September 1924 that the list of factories he had contained 1,351 names, but there were only 1,251 in the list which he later furnished to the department after several requests. But this does not necessarily prove the whole story and I shall therefore take occasion to place on the record more accurate data secured from the reports of R. G. Dun & Company.

Now, this government has been held up to ridicule throughout the length and breadth of Canada by certain gentlemen of the Tory party because of the deplorable, the awful conditions that have arisen in this country as a result of its low tariff or revenue tariff tendencies. Those gentlemen opposite would have the people of Canada believe that never at any time in the history of the country except when a Liberal government was in power could such conditions exist. In view of this, I am going to submit a comparative statement which at least will be illuminating to those who might believe any such thing. I have here a table showing the commercial failures in Canada by branches of business in the years 1914, 1915, 1920, 1921, 1922, 1923 and 1924. It is interesting and will bear some study, especially when you find the Tory press or a Tory aspirant to office contending that only under a Liberal government can any of these commercial failures take place. This list is as follows:

COMMERCIAL FAILURES IN CANADA BY BRANCHES OF BUSINESS

50% prices

Manufactures	1914		1915		1920		1921		1922		1923		1924		—
	No.	Liabilities	No.	Liabilities	No.	Liabilities	No.	Liabilities	No.	Liabilities	No.	Liabilities	No.	Liabilities	
				$		$		$		$		$		$	
Iron and foundries	10	213,302	8	90,005	3	115,011	11	1,264,578	17	873,211	11	866,492	9	303,600	
Machinery and tools	37	612,190	51	730,998	20	4,046,847	28	7,138,818	60	10,830,493	72	5,068,100	45	1,710,883	
Woollens, carpets, etc	1	70,000	5	45,300	.....	.....	7	124,104	4	23,648	7	608,992	12	1,463,900	Wool.
Cotton, hosiery, etc	1	235,000	2	6,100	.....	.....	3	926,743	7	101,467	4	263,658	.....	.....	
Lumber and carpenters	98	3,934,340	175	4,115,701	26	1,034,253	85	2,041,646	134	4,860,837	107	3,804,630	97	7,994,176	Lumber.
Clothing and millinery	102	923,359	2	1,180,201	53	3,096,484	127	6,429,289	148	3,614,203	132	3,782,297	114	2,230,570	
Hats, gloves and furs	18	150,490	12	541,202	10	170,834	21	705,049	26	1,592,206	21	816,536	18	493,036	
Chemicals and drugs	8	201,921	21	354,498	2	19,000	9	166,409	7	48,155	11	179,124	17	117,680	
Paints and oils	1	70,000	.....	.....	.....	.....	2	38,204	2	54,522	3	8,500	2	29,000	Paints.
Printing and engraving	33	265,441	32	282,302	7	499,900	14	113,154	30	329,816	25	343,886	26	352,620	Printing.
Milling and bakers	38	100,268	46	381,392	22	1,180,602	47	1,710,511	54	763,253	48	731,548	34	386,870	
Leather, shoes, etc	23	380,222	14	410,503	9	287,116	17	811,232	30	6,586,389	37	687,468	20	1,353,773	Shoes, leather.
Liquors and tobacco	9	71,614	12	521,802	5	294,000	12	467,514	19	386,885	19	925,533	10	180,770	
Glass and earthware	24	635,244	25	1,611,701	2	9,658	4	93,800	7	319,302	8	1,322,158	11	433,634	Glass.
All other	211	3,199,800	250	3,605,709	96	5,117,511	172	11,945,739	312	8,096,404	287	12,382,410	210	19,492,146	Other.
Total manufacturing	614	11,063,191	655	13,877,414	255	15,871,216	559	33,976,790	857	39,080,791	792	31,791,332	625	36,542,658	
Total trading*	2,164	18,677,935	1,888	21,696,890	771	7,704,505	1,739	29,886,569	2,717	33,040,203	2,319	31,339,763	1,720	21,324,089	
Agents and brokers	120	5,303,968	118	5,588,017	52	2,918,580	153	9,435,752	121	5,983,965	136	2,679,287	129	6,664,228	
Total commercial failures†	2,898	35,045,094	2,661	41,162,321	1,078	26,494,301	2,451	73,299,111	3,695	78,068,959	3,247	65,810,382	2,474	64,530,975	

*Wholesale and retail stores, hotels, restaurants.
†Manufacturing establishments, wholesale and retail stores, and agents and brokers.

It will be noted that with respect to woollens, carpets and so forth, there were no failures in 1920, because of the fact that that particular industry was at that time making enormous and exorbitant profits at the expense of the people of this country. The same applies to cotton hosiery, and so forth, in 1920; there were no failures in that year for the reason that I have just given.

Mr. LADNER: Why does the minister take only the first two years of the war and leave the others out? Would it not have been sounder to take the years preceding the war and compare them with the years after the war?

Mr. MURDOCK: We wanted to get at least two full years of Tory rule, and in 1914, which, as is well known, was a panic year generally on this continent, there had at least been a measurable period of Tory government. I would not be unfair enough to indicate that the tail wagged the dog, or that the Tory government was responsible for the financial depression which prevailed on this continent in 1914. I would not do that; all I am trying to indicate is that here is a good, clear year, 1914, the larger part of it before the war—

Mr. LADNER: Will the minister not agree that 1915, after the Germans had made their terrific onslaught, was a year of great depression generally, and that as respects the reasons for the losses in the period to which he refers it is hardly fair to take the first two years of the war as a basis of comparison? There was no relationship to the actual facts, the conditions were so abnormal.

Mr. MURDOCK: I shall not take the slightest objection if my hon. friend makes that argument when he is dealing with these figures later. I realize that he can take whatever view he cares to take on the matter.

In view of the figures I have read, Mr. Speaker, when anyone starts to talk about the number of failures, yes, and the liabilities having regard to the worth of the dollar, it is evident that the figures for 1914 and 1924 will bear a very fair comparison.

What reams of eloquence we heard, Mr. Speaker, from the opposition benches last year, and I think the year before, about the deplorable and awful conditions under which the boot and shoe industry and the woollen and textile industries of this Canada of ours were suffering as a result of a Liberal government being in office. There had been so very much made of that, that it seemed to me advisable that we should place on Hansard some accurate figures for the various years to show whether there was anything really substantial to certain clamour that was made, or whether it was just simply a part of the Tory propaganda for protectionist friend purposes. If there is no objection, Mr. Speaker, I should like to place on Hansard a comparative statement showing the number of persons reported on the payrolls of thirty-seven mills engaged in the manufacture of woollen yarn and cloth and in wool pulling and carding, by months from 1920 to 1925, the figures and numbers of employees for three months of 1925 being included.

The statement is as follows:

Dominion Bureau of Statistics

General Statistics Branch

Number of persons reported on payrolls of thirty-seven mills engaged in the manufacture of woollen yarn and cloth and in wool pulling and carding, by months 1920-1925

	1920	1921	1922	1923	1924	1925
January 1.. ..	No	3,237	3,883	4,402	3,783	3,249
February 1. .	Records	3,489	4,146	4,734	4,661	3,685
March 1.. .. .		3,435	4,208	4,707	4,482	3,856
April 1..		3,166	4,383	4,583	3,945	
May 1..		3,193	4,307	4,540	3,952	
June 1..		3,278	4,295	4,510	3,802	
July 1..		3,298	4,360	4,250	3,561	
August 1.. ..		3,425	4,383	4,449	3,824	
September 1. .		3,820	4,389	4,428	3,376	
October 1.. ..		3,960	4,397	4,502	3,932	
November 1. .		4,120	4,563	4,643	3,850	
December 1. .		4,141	4,685	4,544	3,437	
		42,562	51,999	54,292	46,605	10,790

Index number of employees in manufacturing group—thread, yarn and cloth (includes silk and cotton): Jan. 1920, 100; Feb. 1921, 85.4; Feb. 1922, 97.8; Feb. 1923, 103.5; Feb. 1924, 94.6; Jan. 1925, 94.6; Feb. 1925, 99.3; March 1925, 101.3.

I should also like to place on Hansard another statement from the Dominion Bureau of Statistics showing the number of persons reported on the payrolls of ninety-one manufacturers of boots and shoes by months during the period from 1920 to 1925; also giving the index number of employees in the manufacturing group—leather and its products for the period in question.

The statement is as follows:

Dominion Bureau of Statistics

General Statistics Branch

Number of persons reported on payrolls of ninety-one manufacturers of boots and shoes, by months, 1920-1925

	1920	1921	1922	1923	1924	1925
Jan. 1. . .	No	5,561	11,653	10,950	10,333	9,732
Feb. 1. . .	Records	8,127	11,615	11,661	11,164	10,436
March 1. ..		8,920	11,399	11,568	11,031	10,552
April 1. . ..		9,275	10,906	10,899	10,988	
May 1.. . .		9,283	10,788	10,316	10,815	
June 1.. . .		9,852	10,321	9,944	10,391	
July 1.. . .		10,331	10,872	10,322	10,067	
August 1. .		10,564	10,773	10,153	10,269	
Sept. 1. . .		10,486	10,810	10,115	10,042	
Oct. 1. . .		10,837	10,710	10,634	10,263	
Nov. 1. . .		10,903	11,403	10,871	10,337	
Dec. 1. . .		11,529	11,633	11,307	10,295	
		115,668	132,883	128,740	125,995	30,720

Index number of employees in manufacturing group—leather and its products: Jan. 1920, 100; Feb. 1921, 66.1; Feb. 1922, 85.6; Feb. 1923, 84.7; Feb. 1924, 80.5; Jan. 1925, 71.0; Feb. 1925, 74.8; March 1925, 75.8.

I should also like to read, because it is rather illuminating, a statement giving figures with respect to the wool and textile industry in Canada for the period of 1910 to 1923. I have not been able to secure all of the essential figures for 1924. Again, these figures are for certain years of the adminstration of the previous government and of this government, details being given for the years 1910, 1915, 1919, 1920, 1921, 1922 and 1923:

Year	Number of establishments	Amount of capital	Number of wage earners	Value of Products
1910	162	$ 8,692,705	4,759	$ 7,072,360
1915	60	10,651,468	4,039	10,214,059
1919	122	$31,863,435	7,450	$43,254,749
1920	130	38,052,984	8,148	47,615,179
1921	170	34,639,936	6,234	22,895,750
1922	137	37,102,382	7,470	29,062,772
1923	141	43,148,218	8,264	33,472,087

It will be noticed that in 1923, when we were hearing about the terrible disaster that had come to the woollen and textile industry, there were 141 establishments with a capitalization of $43,148,218 and 8,264 employees, or more than had been recorded in the previous years, whilst the value of the products had increased to $33,472,087.

I should explain that in the case of wool pulling establishments a number were not reported in 1915. In 1910 there were four of these.

Now let us take the establishments manufacturing boots and shoes in Canada, taking the period from 1910 to 1923:

Establishments manufacturing Boots and Shoes in Canada 1910-1923

	1910	1915	1919	1920	1921	1922	1923
Number of establishments..	180	146	161	173	177	181	189
Capital..	$23,630,649	$30,881,172	$38,680,581	$34,347,026	$31,644,855	$29,881,921	$30,533,591
Wage earners	15,920	14,290	13,144	11,045	11,268	11,968	12,439
Number of pairs.. ..	.....	.....	18,891,860	17,693,966	15,046,985	17,194,206	18,123,894
Value of Products.. ..	$33,937,248	$34,064,696	$63,579,035	$66,817,174	$44,665,381	$45,503,858	$45,596,012

In 1920, in the first part of which boom times were said to be prevailing, we find the number of wage earners getting less and the number of pairs less. In 1922 we find an increase in the value of the products produced. In 1923 there was also an increase in the number of wage earners, in the number of pairs produced and in the value of products.

Now, Mr. Speaker, I undertook, because I realized that my hon. friends opposite might want to know something about 1924, to get as nearly as possible a comparative statement for the years 1923 and 1924. I have here an explanatory statement as regards wool and textiles for the years 1923 and 1924, and a comparative statement with respect to boot and shoe establishments for 1923 and 1924. These statements I should like to have placed on Hansard.

The statement is as follows:

Woollen Textiles—1923

Industry	Establishments No.	Capital	Employees No.	Salaries and wages	Value of Products
Woollen cloth..	47	$14,819,633	3,634	$3,343,575	11,640,694
Woollen yarn..	14	7,611,761	1,339	1,078,941	6,245,173
Carpets, mats and rugs..	13	3,327,805	889	889,906	3,283,964
Woollen goods, n.e.s..	25	6,608,677	998	1,001,902	5,103,977
Total woollen textiles..	99	$32,367,876	6,860	$6,314,324	$26,273,808

Woollen Textiles—1924

Industry	Establishments No.	Capital	Employees No.	Salaries and wages	Value of Products
Woollen cloth..	47	$15,648,594	3,163	$2,932,411	$10,466,032
Woollen yarn..	14	8,375,413	1,409	934,749	4,281,325
Carpets, mats and rugs..	13	4,078,387	702	722,157	2,396,226
Woollen goods, n.e.s..	25	7,458,504	947	953,825	5,257,710
Total woollen textiles..	99	$35,560,898	6,221	$5,543,142	$22,401,293

Boot and Shoe Industry

	1923	1924
Number of establishments..	121	121
Capital..	$24,043,716	24,433,099
Number of employees..	10,903	10,863
Salaries and wages..	11,047,985	10,716,974
Value of production..	36,436,966	33,010,490

The number of pairs of boots and shoes made by the above establishments in 1923 was 13,722,689; in 1924 the number was 13,496,830.

One point I desire to touch upon is the statement that in 1924 twelve boot and shoe establishments went out of business. That looks serious; that no doubt is the text upon which our Tory friends are basing the statement that disaster and ruin has overtaken the boot and shoe industry in various parts of the country. But that does not at all convey the real situation, because while twelve boot and shoe factories went out of business in 1924 there were sixteen new establishments which came into being. This would appear to indicate that the boot and shoe industry was not in such a serious situation as many hon. gentlemen would like to have us believe.

Mr. STEWART (Leeds): Can the minister give us the numbers of pairs and the value of boots and shoes imported in those years he is discussing?

Mr. MURDOCK: If my hon. friend would look at the customs record he could probably get that information for himself, and as I have a considerable way to go yet I would ask to be excused.

When I state that twelve boot and shoe factories went out of business and sixteen came into being in 1924, some distinguished gentleman in the opposition is liable to ask, what is the comparative number of employees of those that went out of business and those that came into being in the boot and shoe industry? Anticipating that inquiry I asked the Dominion Statistician for that information and received the following reply:

In reply to your letter, the twelve boot and shoe establishments which went out of business had a total of 326 employees, or an average of 27.1 per establishment. I might add that one of these establishments was burned down and another has resumed operations within the last month or two.

With regard to the new establishments, we have received to date returns from only 10, for which the average number of employees is 26.7 or practically the same as that for the establishments which ceased operations. I would add that at least one of the new establishments is quite large, but, as you know, we are not permitted to give out particulars regarding an individual concern.

Now, Mr. Speaker, that deals with certain references to factories closing and the serious conditions of the boot and shoe and textile industries which hon. gentlemen opposite are so anxious and so willing at times to talk of.

There is a further matter for which the right hon. leader of the opposition gave me the text some time ago. I refer to his remarks concerning certain comparative unemployment conditions in Canada and in the United States. In order that I may not misinterpret what he said let me quote his exact language. The right hon. gentleman was referring to the serious unemployment conditions in Canada in comparison with the conditions which he said existed in the United States, and on page 18 of Hansard we find the statement which he made, with the absolute degree of assurance which always characterizes the hon. gentleman's utterances. He said:

The index figure now is 83.9, showing that more than sixteen per cent less are employed now than on the 1st January, 1920.

He was referring to Canada. He continues:

I would like the corresponding figures to be produced from the United States and to ascertain if there has been sixteen per cent or even one per cent reduction in the same period in that country.

And meeting the challenge of the right hon. gentleman, we produce evidence in the form of the United States Department of Labour Monthly Labour Review for March, 1925, and we analyze to find out whether there was the one per cent which the hon. gentleman inquired for. The Monthly Labour Review, published by the United States Department of Labour, March, 1925, at page 129,

gives the necessary figures for comparative purposes, and we are therefore able to arrive at the following comparison between Canadian and United States change in employment conditions as between January 1920 and January 1925, as follows:

Canadian Index Number

January 1920	100
January 1925	83.9

United States Index Number

January 1920	116.1
January 1925	90

This shows that while there had been a change of 16.1 in Canada there had been a change of 26.1 in the United States and these figures are not from the Minister of Labour in Canada, but from the Secretary of Labour for the United States at page 129 of his March Labour Review. I realize that my hon. friend, with his ever readiness to get around the point, may take the position that that comparison of figures is not altogether accurate, because the figures which I quoted were for the general index of employment in United States manufacturing industries January 1914 to January 1925, while the figure 83.9 for Canada refers to all employment; so that we will have to concede that the hon. gentleman might make a point in that comparison, and therefore we will have to get right down to real concrete, comparative figures of manufacturing in the United States and in Canada. Returns from employers in Canada have not only been tabulated for all industries, producing the figure of 83.9, which I gave the House a little while ago, but they have been tabulated and index numbers worked out for each industry. One of the divisions of this tabulation is manufacturing which is the basis of the tabulation adopted in the United States. This comparison shows the following for the years 1924 and 1925:

Manufacturing Industries

	Canada	United States
1924 January	80.1	95.5
February	84.9	96.6
March	86	96.4
April	86.5	94.5
May	87.7	90.8
June	88.4	87.9
July	87.7	84.8
August	86.2	85.0
September	84.5	86.7
October	85.7	87.9
November	84.2	87.8
December	82.0	89.4
1925 January	75.5	90.0
February	79.03	
March	86.0	

[Mr. Murdock.]

Still a little better in January than the United States, although hon. members will recall that the figure 90 for the United States means a reduction of 26.1, whereas the figure 75.5 as regards the manufacturing industries of Canada for the month of January means a reduction of 24.5.

The figures for the United States are not available for the months of February and March.

Mr. STANSELL: Was the period when the figures for the United States were low as regards labour about the time of the presidential election?

Mr. MURDOCK: My hon. friend will note that in July and August last, the United States manufacturing figures were below those of Canada, although they started from a point 16.1 above those of Canada on January 1, 1920. The only thing I am at present endeavouring to do, hon. members will understand, is to reply to the leader of the opposition (Mr. Meighen), who desired to be shown if there had been a change of one point in the manufacturing figures of the United States. These figures prove conclusively that there has been a greater change in unemployment figures in the United States than in Canada.

On the same date that the right hon. gentleman asked for this information, he also produced what was supposed to be certain figures from Montreal indicating the condition of unemployment there. I am glad to read to the House an editorial from La Patrie of Montreal, dated January 15, 1925. I do not suppose that it will be charged that La Patrie is too distinctly favourable to this government. I think possibly it can be assumed that this is simply a reasonably accurate conception of existing conditions in Montreal as of January 15. The editorial, by the way, intimates that I said something which I do not recall ever having said, but that does not matter particularly. It reads:

Unemployment

We are at the present time, from the employment viewpoint, going through the worst period of the winter. All the work which the rough season interrupts is now suspended, and as the snowfall has been so far comparatively small, we are deprived of the best palliative against unemployment.

And yet, as La Patrie predicted in the early fall, we do not see the shortage of employment take in Montreal the character of a crisis, as was to happen according to the provisions of Hon. Mr. Murdock, Federal Minister of Labour. There are evidently

a number of workers who at the present time do not find any employment, as is always the case every season in a city as important as Montreal; but those who are without any employment are not without resources or are efficiently helped by our ordinary organization for public assistance, and we do not, as we did a few years ago, see bands of famished unemployed using force to have meals served to them in public eating houses.

We had stated, last fall, that the employment situation in Montreal was normal or even a little better than in 1923. We based that statement upon information received from the St. Vincent de Paul Society, which, in our judgment, always knows better than anybody else what position the popular class finds itself in when facing the subsistence problem.

This information, which we presented as trustworthy, is now confirmed by the Dominion Bureau of statistics. An official report just published tells us that employment in the province of Quebec was somewhat better in 1924 than in 1923. The statistician's index number, which was 95.2 in 1923, rose to 95.8 for 1924. The improvement is not considerable, but it is important if one considers that the public powers predicted an increase in the scarcity of employment.

Let us add that according to official statistics employment conditions, during 1924, were better in the province of Quebec than in any other province of the Dominion, with the only exception of British Columbia.

I do not subscribe personally to all that is stated in that editorial. I give it to the House as an indication of the view of a prominent publication in the city of Montreal and as an offset to some of the claims made by the leader of the opposition.

In the course of every opportunity that presents itself, we find hon. gentlemen referring to the very much better conditions existing in the United States and intimating that unemployment there is in no way comparable with that in the Dominion of Canada. Let us see and do not let it be the word of the Minister of Labour that determines the matter. Let us take the views of others. Let us take the facts, figures and analyses that come to us from sources official and otherwise. I hold in my hand a clipping from the New York Times of March 8, 1925, which states:

> United States ranks third in unemployment. Great Britain has largest total, Austria second, France and Finland lowest.

This is so good I think that it should be placed on Hansard. It is not very long:

> The latest figures on unemployment in various countries reveal the fact that the United States, where it is quite commonly said there is full employment of population, is third on the list of countries having the largest number of persons idle, with Great Britain first and Austria second.
>
> Figures obtained from the Foreign Department of Moody's Investors' Service support the fact that the unemployed in the United States number about twenty out of each 1,000 of population, while the number in Great Britain is twenty-six out of each 1,000 and Austria about the same as the United States. In Austria the total number since the first of the year has increased to 187,000, or about 29 per 1,000, but owing to fluctuations of employment the figure twenty represents an early 1925 average.
>
> The lowest rates are in France and Finland, which report practically no unemployment. Of the Central European countries, Hungary makes the best showing with only about three out of every 1,000 unemployed followed by Czechoslovakia and Poland, with about five and six per 1,000 respectively. In Germany out of every 1,000 inhabitants more than seven were out of work at the beginning of the year. Denmark leads the Scandinavian kingdoms with a rate of over eight per 1,000, while Sweden's unemployed number less than three per 1,000. The relatively low figures reported by Russia are of interest, although statisticians are inclined to question their reliability. In the Western European countries, Belgium makes the best showing with a rate of 2.39 per cent, as compared with 9.26 per cent in the Netherlands. The rate in Switzerland is only 2.42 per 1,000, while that in Italy is 3.36 per 1,000.
>
> The following table shows the number of unemployed in the principal countries at the beginning of 1925, together with the population:

	Estimated Population	Number of unemployed	Rate per 1,000 of pop.
Austria	6,500,000	130,000	20.00
Australia	5,800,000	32,708	5.64
Belgium	7,700,000	18,444	2.39
Canada	8,800,000	10,540	1.20
Czechoslovakia	13,600,000	73,006	5.37
Denmark	3,300,000	27,518	8.34
Finland	3,400,000	1,803	.53
France	39,200,000	11,863	.30
Germany	59,900,000	436,450	7.29
Great Britain	44,700,000	1,158,000	25.91
Hungary	8,000,000	26,020	3.25
Italy	40,000,000	134,719	3.36
Netherlands	7,100,000	65,740	9.26
Norway	2,700,000	20,500	7.60
Poland	27,200,000	155,245	5.71
Russia	132,000,000	1,300,000	9.85
Sweden	6,000,000	17,344	2.89
Switzerland	3,900,000	9,451	2.42
United States	110,000,000	2,100,000	19.09

I am sure my hon. friend from Fort William and Rainy River (Mr. Manion) will note that last item.

Mr. MANION: It is one-tenth of what the minister said before. I hope he is as close in all his other statements as he is in that one.

Mr. MURDOCK: My hon. friend goes out of his way a little to be unfair. If he will look up Hansard he will find that the quotations to which he is now referring were placed before him and the House only as newspaper reports for what they might be worth.

Mr. LADNER: Did the minister say that the unemployment figure in Canada was 10,000 or 100,000?

Mr. MURDOCK: I was just about to take up that point. Newspaper reports are not always reliable; for example, I do not agree

with the estimate of the New York Times which places the unemployment in Canada during that particular period at only 10,540. This article, by the way, was dated March 8, 1925, and in my judgment it would be unfair, indeed untrue, to suggest that this was the total number of unemployed in Canada at that time.

Mr. MEIGHEN: Does the minister think that any quotation which suggested that the unemployed in Canada in that period was only 10,000 is worth taking up the time of the House to give?

Mr. MURDOCK: I do not suppose that the right hon. gentleman would decline to concede to a humble member on this side of the House the right to take up the time of the House with such matters as he regards as sufficiently important. My right hon. friend is ever ready to jump in and take up all the time he wants, interrupting when he sees fit, and if he will kindly permit me to use my own judgment in this respect I think we shall all appreciate the courtesy.

Mr. LADNER: For information, may I ask what is the extent of unemployment in Canada according to the records of the department? The minister would probably know what the figure was at that time.

Mr. MURDOCK: As my hon. friend knows, there are no accurate records collected in Canada which are absolutely reliable and by which we could say definitely just what the number of unemployed were.

Mr. LADNER: But approximately.

Mr. MURDOCK: Or reasonably approximately even. Now, I do not think it would be unfair or inconsistent to admit that there were in Canada during the past winter at one time or another probably from forty-five to fifty thousand people unemployed; I do not think that would be beyond the mark. But if we had any number comparable with the figures which the United States admits—and I shall prove in a few moments that the United States does admit it—we should have had 200,000 unemployed in Canada for our 8,780,000, that is to say, in proportion to the number of unemployed across the line.

Mr. MEIGHEN: Who in the United States admits that there were 2,000,000 unemployed there? Is it the same newspaper?

[Mr. Murdock.]

Mr. MURDOCK: The figures are obtained from various sources of information. I will try to satisfy my right hon. friend if he will only possess his soul in patience.

Mr. MEIGHEN: The minister never answers a question at all; he simply smiles and talks around it. What is the use of quoting, as to the conditions of affairs in the United States, the same newspaper that talks such humbug about Canada?

Mr. MURDOCK: We shall quote something else besides newspapers before we go much further. This particular statement of the New York Times was commented on by the Regina Leader under date March 21, I shall not read the entire editorial but there is one passage that does strike me, as I think it will strike hon. gentlemen directly opposite as well as those to their left. I hope my right hon. friend will listen to this:

> The New York Times is, when it comes to business news, about the most conservative and ablest conducted daily newspaper in the United States, and for that reason the information it publishes on unemployment and business failures may be accepted as accurate. This information does not support the contention that all that a country requires to become prosperous is a high protective tariff. The tariff now in force in the United States is the highest in the history of that country; yet the United States is the third on the list of countries in the matter of unemployment, and its business failures do not show the improvement in business conditions which many had hoped for.

For what it may be worth, I give that to hon. gentlemen. Now, we find frequently that labour takes an interest in the conditions of unemployment; and hon. gentlemen opposite show great anxiety about the welfare and prosperity, present and future, of labour. They always stress the point that they want to get high protection for their friends, to be divided up reasonably with certain workmen, or at least that the workmen shall be given what they would describe as a fair wage. Here are some references that various labour representatives make to the condition of unemployment in the United States, as gleaned from various labour publications. This is from the Cleveland Federationist, February 19, 1925:

> The Department of Labour of the state of Illinois is authority for the statement that October, 1924, in Illinois was the worst October in four years. Thousands of people have been without jobs during the summer and fall, and the October survey conducted by the Free Employment Service showed that there were fewer people at work in the factories of Illinois than there were on the average in 1922.

The following reports from organizers of the American Federation of Labour as appearing in the January, 1925, issue of the American Federationist, in reporting on conditions in Illinois, stated:

John A. Cooley, Eldorado. One mine has been closed down, throwing 350 men out of employment.

Henry D. Felix, Litchfield. The American Radiator Company is working only about half time and 450 workers in this plant have been laid off.

Thomas Murphy, Murphysboro. Mine No. 9 in this section, which employed 185 men, has been abandoned. Times are very bad with much unemployment among all classes of labour.

The Labour Review, Portsmouth, Ohio, February 21, 1925, says:

Building mechanics in search of employment should remain away from California, particularly San Francisco and vicinity, where the supply of building mechanics is greatly in excess of the demand, according to an official announcement made by the officers of the State Building Trades Council of California.

The Trades Union News, Philadelphia, Pa., February 19, 1925, says:

The unemployment situation in Camden, New Jersey, has been so serious during the past few weeks that Mayor King deemed it advisable to call a conference to discuss remedial measures. . . . . "The woeful condition of unemployment in Camden is acute," Commissioner Staley stated. "Hearts are bursting in despair with men unable to find employment. The Bureau of Charities has exhausted its appropriation for the year, and nearly all who apply for groceries and coal are not men who beg charity. . . . . " More than 600 men recently applied for employment in one day at the Camden Bureau of Charity.

The Labour Advocate, Nashville, Tennessee, March 20, 1925, says:

There still is a labour surplus in the automobile and allied industries of Ohio, and the mining industry is below normal, but the building and steel industries are improved, according to a report released by the Employment Service of the United States Department of Labour.

The Union Advocate, St. Paul, Minnesota, January 1, 1925, says:

Of 15,544 applicants for jobs at the Cleveland branch of the State Employment Office in November, 1924, 4,724 were placed.

The following reports from organizers of the American Federation of Labour as appearing in the January, 1925, issue of the American Federationist, reporting on conditions in various localities in the state of Ohio, stated:

C. H. Grabham, Byseville. The mines in this locality are overcrowded and fully half of them are closed down.

John F. Bunce, Findlay. There has been no improvement in conditions in this section. The Adam Axle Company has laid off 200 workers and the Ditcher Company 30.

Dan. W. Wallace, Gloucester. Twenty-one employees of the County and State Highways Department have been laid off.

Stanley Ogg, Hamilton, Ohio. Many men have been laid off in the metal trades, and a few have been hired at the Ford plant. The foundries are working part time with reduced force.

The Union Advocate, St. Paul, Minnesota, February 26, 1925, says:

Losses in employment in the factories of New York state in January that are not entirely seasonal are reported by the state industrial commissioner. Employment is still 7½ per cent below January, 1924, and 10 per cent below January, 1923. This means that nearly 120,000 workers who had jobs in January, 1923, are out of a job to-day.

The Union Advocate, St. Paul, in its issue of February 19, 1925, says:

Unemployment indicates bad industrial conditions. The hoped for prosperity that was to follow the election of a Republican president has not materialized. Labour conditions in St. Paul are at a low ebb. Thousands of building tradesmen and others are out of work, and merchants complain about business conditions.

Collections are difficult, and merchants are obliged to carry the accounts of unemployed workers for food and other necessities. The general impression is that conditions have not held up since the election, and great disappointment and resentment exists.

Assurances given that the success of the Republican ticket would be the signal for great and permanent prosperity caused many to expect much and are now asking the question, where and when will the prosperity strike.

Following is an extract from the report of General Vice-President A. O. Anderson, of the International Brotherhood of Blacksmiths, appearing in the Blacksmiths' Journal, January, 1925:

In the Northwest, whether confidence has been restored or not restored I cannot say, nevertheless we have now an unusually large number of men who are unemployed, and presumably a large number of those same men who did all they could to further the election of Coolidge and his gang who are still looking for that confidence, so that they may be able to secure some kind of occupation whereby they may be able to keep the wolf from their doors during this winter, but in place of adding men to the various industries reductions are being made daily, so the prospects are rather slim for any improvements.

There are a great many other reports that I might give in that connection, but I am going to pass along hurriedly to one article which I think should be placed on Hansard, as it indicates the view that at least some labour men in the United States have of the tariff and its cure-all properties:

Some tariff buncombe—its lesson "ancient and fish-like smell" emanates from speech of Senator W. M. Butler.

William M. Butler is United States senator from Massachusetts. He is also president of a number of corporations and a director in many more, including textile industries. Senator Butler recently delivered an address before the Boston Chapter, Inc., American Institute of Banking, and this is what he is reported as saying to that body:

And this sounds very much like what we hear from across the chamber at times:

"In order to protect the American workman in his American wages and conditions of living, we must maintain the American protective tariff policy. This policy has given us our development and prosperity and any other policy would be destruction."

In Massachusetts, where Senator Butler is so keenly interested in industry and (maybe) the interest of the American workers, thousands of toilers in the textile mills for months drew no wages at all—American or other—because the mills were shut down.

Information from reliable sources indicate that many textile mills are shut down and that those working at all, are operating on greatly curtailed schedules. The workers in the textile industry surely, when they read Senator Butler's speech, will as the Indianapolis News in an editorial remarks, "think that it has an ancient and fishlike smell."

Now let us look elsewhere. Here is a book published by the National Industrial Conference Board, in New York City in 1925. It is captioned "Wages and Hours in American Industries." There is much good information in this book for the right hon. gentleman who leads the opposition, if he really thinks that conditions in the United States in 1924 were reasonably comparable with conditions in Canada. I think this book, if he peruses it sufficiently, will indicate to him that possibly we were well off in Canada in comparison with conditions prevailing in the United States, but in case the right hon. gentleman might not peruse the book, I am going to give just a few short extracts. The first is found on page 39, and is captioned "General Trend 1914-1924" and reads:

The spring of 1923 found industry operating close to capacity production in a few industries, notably automobiles, was exceeding any previous records. The textiles and metal trades were operating on an active basis and in fact nearly all industries found conditions highly satisfactory.

Between March and May, 1923, there was a widespread movement to increase wage rates, and advances of from 10 per cent to 15 per cent became general. Weekly earnings immediately responded to the higher hourly earnings and with continued full time operation, or in some cases overtime, they maintained an upward trend until the middle of the year.

That is for 1923. Then we go on to page 40 of the same publication:

By July, 1924, employment had dropped nearly 25 per cent from the total of the preceding July. Hours of work were substantially at 1921 levels and weekly earnings were considerably lower than in 1923.

I quote further from page 59 of the same publication:

A distinct change was noticeable in August—

This was in 1924.

—when the downward trend gave way to an increase of 2.4 per cent this was the more marked, since August is normally a poor industrial month, owing to midsummer conditions.

[Mr. Murdock.]

The upward trend was continued in September with a further gain of 1.9 per cent, bringing employment to a point 28 per cent lower than at the 1920 peak and 20 per cent lower than the average for 1923, but 4.4 per cent higher than in July 1924.

Then we come to the reference to the iron and steel industry in the United States, page 83:

The iron and steel industry enjoyed a considerable spurt of activity at the beginning of 1924. This is best indicated by the gains in employment, which advanced about 19 per cent between December, 1923, and March, 1924. After this brief period of improvement the recession was rapid until July, when total employment was hardly more than half that reported in June 1920, and 25 per cent lower than in March, 1924. In August there was a distinct reaction upward and in September a still more pronounced gain, bringing employment to within 61.7 per cent of the total for June, 1920.

Then we come further to the reference to the textile group:

Of the five industries included in the textile group, the cotton industry in the north faced the most difficult problems. The short crop of cotton forced prices up to a point which made the manufacture of fabrics at existing wage levels, to sell at current prices, next to impossible. The result was a progressive curtailment of working schedules until a point was reached where many mills were completely shut down for weeks at a time. Between July, 1923, and July, 1924, total employment fell off 32 per cent, and average hours of work per week declined from 46.1 hours to 40.0 hours.

That Mr. Speaker, is a further example of the conditions in the United States which we have been so often told are exceptionally good.

Let me now refer to a comparison between retail food prices in Canada and those in the United States and other countries. We have been chided by the opposition on every possible occasion on the ground of our alleged failure to do anything at all to reduce the cost of living. Let us see just what we have done in that respect; let us see what a comparison with other countries will show. I have here, on pages 46 and 47 of the Monthly Labour Review, which is the official publication of the Department of Labour of the United States, a comparison of retail price changes, giving the index number of the retail prices in the United States and in other countries. Some nineteen countries are included here, and Canada appears to be in about the second best condition of any of the countries referred to. If there is no objection, Mr. Speaker, I think it would be appropriate that this comparison should be placed on Hansard in order to show that Canada is at least in as favourable a position as almost any other country as regards the retail prices of food.

5 p.m.

The statement is as follows:

Comparison of Retail Price Changes in the United States and Foreign Countries

The principal index numbers of retail prices published by foreign countries have been brought together with those of this bureau in the subjoined table after having been reduced in most cases to a common base, namely, prices for July, 1914, equal 100. This base was selected instead of the average for the year 1913, which is used in other tables of index numbers compiled by the bureau, because of the fact that in numerous instances satisfactory information for 1913 was not available. A part of the countries shown in the table now publish index numbers of retail prices on the July, 1914, base. In such cases, therefore, the index numbers are reproduced as published. For other countries the index numbers here shown have been obtained by dividing the index for each month specified in the table by the index for July, 1914, or the nearest period thereto as published in the original sources. As stated in the table, the number of articles included in the index numbers for the different countries differs widely.

These results should not, therefore, be considered as closely comparable with one another. In certain instances, also, the figures are not absolutely comparable from month to month over the entire period, owing to slight changes in the list of commodities and the localities included at successive dates.

INDEX NUMBERS OF RETAIL PRICES IN THE UNITED STATES AND IN OTHER COUNTRIES

Country	United States	Canada	Austria (Vienna)	Belgium	Czecho-slovakia	Den-mark	Finland	France (except Paris)	France (Paris)
Number of localities	51	60	1	59	22	100	21	320	1
Commodities included	43 foods	29 foods	16 foods	56 (foods, etc.)	23 (17 foods)	Foods	36 foods	13 (11 foods)	13 (11 foods)
Computing agency	Bureau of Labour Statistics	Depart-ment of Labour	Parity com-mission	Ministry of Industry and Labour	Office of Statistics	Govern-ment Statistical Department	Central Bureau of Statistics	Ministry of Labour	Ministry of Labour
Base=100	July, 1914	July, 1914	July, 1914=1	April, 1914	July, 1914	July, 1914	January-June, 1914	August, 1914	July, 1914
Month									
1921									
Jan.	169	195	.....	450	1628	276	1205	.....	410
Feb.	155	190	.....	434	1454	.....	1138	429	382
Mar.	153	178	.....	411	1362	.....	1169	.....	359
April	149	171	.....	399	1366	.....	1145	.....	328
May	142	165	.....	389	1371	.....	1157	363	317
June	141	150	.....	384	1388	.....	1188	.....	312
July	145	148	.....	379	1303	236	1323	.....	306
Aug.	152	154	.....	384	1351	.....	1369	350	317
Sept.	150	159	.....	386	1428	.....	1404	.....	329
Oct.	150	155	.....	391	1463	.....	1401	.....	331
Nov.	149	149	.....	394	1484	.....	1324	348	32
Dec.	147	148	579	393	1475	.....	1230	.....	323
1922									
Jan.	139	149	748	387	1467	197	1151	.....	319
Feb.	139	143	871	380	1461	.....	1145	323	307
March	136	142	904	371	1414	.....	1124	.....	294
April	136	138	1043	367	1415	.....	1127	.....	304
May	136	138	1374	365	1444	.....	1132	315	317
June	138	137	2421	366	1475	.....	1139	.....	307
July	139	138	3282	366	1430	184	1144	.....	297
August	136	141	7224	366	1290	.....	1165	312	289
Sept.	137	139	13531	371	1105	.....	1166	.....	291
Oct.	140	138	11822	376	1016	.....	1157	.....	290
Nov.	142	139	11145	384	984	.....	1140	314	297
Dec.	144	140	10519	384	961	.....	1122	.....	305
1923									
Jan.	141	142	10717	383	941	180	1108	.....	309
Feb.	139	142	10784	397	934	.....	1103	331	316
March	139	145	11637	308	926	.....	1096	.....	321
April	140	143	12935	409	927	.....	1047	.....	320
May	140	140	13910	413	928	.....	1016	337	325
June	141	138	14132	419	933	.....	1004	.....	331
July	144	137	12911	429	921	188	1003	.....	321
Aug.	143	142	12335	439	892	.....	1087	349	328
Sept.	146	141	12509	453	903	.....	1103	.....	339
Oct.	147	144	12636	458	901	.....	1140	.....	349
Nov.	148	144	12647	463	898	.....	1133	373	355
Dec.	147	145	12860	470	909	.....	1112	.....	365
1924									
Jan.	146	145	13527	480	917	194	1089	.....	376
Feb.	144	145	13821	495	917	.....	1070	399	384
March	141	143	13930	510	908	.....	1067	.....	392
April	138	137	13838	498	907	.....	1035	.....	380
May	138	133	14169	485	916	.....	1037	393	378
June	139	133	14457	492	923	.....	1040	.....	370
July	140	134	14362	493	909	200	1052	.....	360
Aug.	141	137	15652	498	897	.....	1125	399	366
Sept.	144	139	15623	503	908	.....	1125	.....	374

INDEX NUMBERS OF RETAIL PRICES IN THE UNITED STATES AND IN OTHER COUNTRIES—Concluded

Country	Italy	Netherlands	Norway	Sweden	Switzerland	United Kingdom	South Africa	India (Bombay)	Australia	New Zealand
Number of localities	47	6	31	49	33	600	9	1	30	25
Commodities included	21 foods	29 (27 foods)	Foods	40 (foods, etc.)	Foods	21 foods	18 foods	17 foods	46 foods	59 foods
Computing agency	Ministry of National Economy	Central Bureau of Statistics	Central Bureau of Statistics	Social Board	Labour Office	Ministry of Labour	Office of Census and Statistics	Labour Office	Bureau of Census and Statistics	Census and Statistics Office
Base=100	1913	January-June 914	July, 1914	July, 14	June, 1914	July, 1914	1914	July, 1914	July, 1914	July, 1914
Month										
1921										
January	542	209	334	283	229	278	.....	163	186	178
February	540	189	308	262	225	263	166	156	184	175
March	556	183	299	253	221	249	.....	154	181	169
April	564	179	300	248	217	238	.....	154	173	169
May	544	173	292	237	209	232	151	162	168	167
June	509	170	290	234	208	218	.....	169	165	166
July	501	170	292	232	205	220	.....	174	161	164
August	534	171	297	234	205	226	136	177	158	163
September	542	176	290	228	203	225	.....	183	154	161
October	581	173	288	218	199	210	.....	180	149	156
November	584	172	281	211	192	200	128	179	146	152
December	585	169	268	202	189	195	.....	176	143	150
1922										
January	577	165	257	190	185	185	121	169	142	147
February	560	164	245	189	173	179	119	160	140	145
March	546	164	238	185	162	177	119	161	141	141
April	524	163	234	182	159	173	121	157	143	144
May	531	159	230	178	152	172	120	158	146	145
June	530	158	227	179	153	170	118	158	146	143
July	527	157	233	179	157	180	116	160	148	144
August	531	155	232	181	152	175	116	159	149	141
September	537	154	228	180	153	172	117	161	149	139
October	555	149	220	178	153	172	119	158	146	139
November	562	146	216	170	155	176	120	155	145	139
December	557	147	215	168	155	178	118	157	146	138
1923										
January	542	148	214	166	155	175	117	151	145	139
February	527	149	214	165	154	173	117	150	144	140
March	524	149	214	166	156	171	117	149	145	141
April	530	149	212	163	158	168	117	150	152	142
May	535	147	214	161	161	162	118	148	156	143
June	532	145	213	161	165	160	118	146	162	142
July	518	145	218	160	164	162	116	148	164	142
August	512	143	220	161	162	165	115	149	165	143
September	514	142	218	165	163	168	115	149	161	145
October	517	145	217	165	162	172	117	147	157	146
November	526	149	221	164	166	173	120	147	157	147
December	528	149	226	164	167	176	118	152	156	147
1924										
January	527	150	230	163	168	175	120	154	155	150
February	529	151	234	162	167	177	122	151	153	149
March	523	152	241	162	167	176	122	147	152	150
April	527	152	240	159	165	167	123	143	150	150
May	530	151	241	159	165	163	122	143	151	150
June	.....	151	240	158	168	160	120	147	149	150
July	.....	150	248	159	168	162	117	151	148	149
August	.....	150	257	163	166	164	117	156	147	146
September	.....	152	261	165	166	166	117	156	146	145

Then, on pages 50 and 51, we have the index numbers of the cost of living in various favourable condition, South Africa, and, I think, one other country, being a little better House may have the benefit of the comparison of the cost of living in Canada with that

INDEX NUMBERS OF COST OF

[A=Food; B=Heat and light; C=Clothing,

Year and month	Bulgaria (12 localities) [1] A, B,	Australia (30 localities) A, B, D	New Zealand (25 localities) A, B, D	Canada (60 localities) A, B, C, D, E	United States (32 cities) A, B, C, D, E	Germany (71 localities) A, B, C, D	Egypt (Cairo) A, C, D, E,	Hungary A, B, C, D, E,	Belgium (59–61 localities) A, B, C, E	France (Paris) A, B, C, E,	Italy (Milan) A, B, C, D, E
	Average 1901–1910=100	1911=100	Average 1909–1913=100	1913=100		Average Oct., 1913, Jan., Apr., and June, 1914=1	Average Jan., 1913, to July, 1914=100	Average 1913–1914=100 [3]	Apr., 1914=100	First half 1914=100	
1914	.....	111	.....	[4] 169	[4] 103	.....	[2] 100	[4] 121	.....	.....	.....
1915	.....	126	.....	[4] 104	[4] 105	.....	[2] 100	[4] 190	.....	.....	.....
1916	.....	130	.....	[4] 119	[4] 118	.....	[2] 118	[4] 278	.....	.....	.....
1917	.....	129	.....	[4] 143	[4] 142	.....	[2] 157	[4] 487	.....	.....	.....
1918	.....	134	.....	[4] 161	[4] 174	.....	[2] 184	[4] 858	.....	.....	[5] 286
1919	.....	148	[5] 137	[4] 179	[4] 199	.....	[2] 201	[4] 2435	.....	[9] 238	[5] 280
1920	.....	175	[5] 155	[4] 192	[4] 200	11	[2] 237	[4] 4696	453	[9] 341	[5] 441
1921	1612	167	[5] 163	[4] 161	[4] 174	13	[2] 189	[4] 6072	379	[11] 307	[5] 501
1922	[12] 2434	156	149	[4] 149	[4] 170	150	[2] 167	[4] 25624	374	[11] 296	494
1923	[10] 2631	168	151	[13] 150	[11] 173	[15] 317945	162	[4] 502292	428	[11] 334	494
1924:											
Jan.	.....	167	156	[13] 151	.....	[15] 1100000	[2] 159	[2] 597420	480	365	510
Feb.	.....		157	[13] 151	.....	[15] 1040000	[2] 158	[2] 1008182	495		517
Mar.	.....		158	[13] 150	170	[15] 1070000	[2] 150	[2] 1332613	510		521
April	.....	.....		[13] 147	.....	[15] 1120000	[2] 157	[2] 1339454	498		522
May	.....	.....	[16] 158	[13] 144	.....	[15] 1150000	[2] 157	[2] 1527075	485	366	518
June	.....	.....		[13] 144	169	[15] 1120000	[2] 157	[2] 1595300	492		518
July	.....	.....	.....	[13] 145	.....	[15] 1160000	[2] 158	[2] 1635900	493	.....	512
Aug.	.....	.....	.....	[13] 147	.....	[15] 1140000	.....	[2] 1627300	498	.....	512
Sept.	.....	.....	.....	[13] 147	171	[15] 1160000	.....	.....	503	.....	516
Oct.	.....	.....	.....	[13] 147	.....	.....	.....	.....	.....	.....	.....

[1] From Ministry of Labor Gazette, London.
[2] From International Labour Review, Geneva.
[3] 1913=100 for June, 1923, and months thereafter.
[4] December.
[5] July.
[6] June–July.
[7] May–July.

countries from 1914 to 1925, and they appear to show, again, that Canada is in a fairly off. I would ask that these figures be placed on Hansard in order that the members of the in other countries. The statement is as follows:

LIVING IN VARIOUS COUNTRIES, 1914 TO 1924

D=Rent; E=Certain miscellaneous articles]

Greece (101 localities) A, B, E	Spain (Madrid)[2] A, B, E	South Africa (9 localities) A, B, D		Switzerland (33 localities) A, B, C	Austria (Vienna) A, B, C, D	Czechoslovakia A, B,	Denmark (100+ localities) A, B, C, D, E	Finland (21 localities) A, B, C, D, E	United Kingdom (620 localities) A, B, C, D, E	India (Bombay) A, B, C, D,	Ireland A, B, C, E	Norway (31 localities) A, B, C, D, E	Sweden (40 localities) A, B, C, D, E	Netherlands	
														The Hague A, B, C, D, E	Amsterdam, A, B, C, D, E
1914=100		1910=100	1914=100	June, 1914=100	July, 1914=100									Dec., 1920=100	Mar., 1920=100
100	[5] 100	109	.....	.....	.....	.....	[5] 100	.....	[5] 100	.....	.....	.....	.....	.....	.....
119	[5] 108	113	.....	.....	.....	.....	[5] 116	.....	[5] 125	.....	.....	[6] 117	.....	.....	.....
159	[5] 115	116	.....	.....	.....	.....	[5] 136	.....	[5] 148	.....	.....	[6] 147	[4] 139	.....	.....
264	[5] 121	125	.....	.....	.....	.....	[5] 155	.....	[5] 180	.....	.....	[7] 190	[8] 166	.....	.....
360	[5] 146	129	.....	.....	.....	.....	[5] 182	.....	[5] 203	.....	.....	[6] 253	[5] 219	.....	.....
324	[5] 168	138	.....	.....	.....	.....	[5] 211	.....	[5] 208	[5] 186	.....	[10] 275	[5] 257	.....	.....
346	[5] 188	170	155	.....	.....	.....	[5] 262	[5] 911	[5] 252	[5] 190	.....	[10] 302	[5] 370	.....	[10] 102
412	[5] 182	149	137	213	[8] 9800	1423	[5] 237	[5] 1139	[5] 219	[5] 177	.....	[10] 302	[5] 236	[10] 95	[10] 97
602	181	132	121	165	461500	1289	[5] 199	[5] 1118	181	[5] 165	[10] 185	253	198	85	86
1216	177	131	120	165	1072675	918	[5] 204	1127	174	154	164	237	178	81	82
.....	178	133	122	}	1174000	917	209	1138	179	158	188	.....	176	.....	.....
.....	190	135	123	170	1194000	917	.....	1126	178	156	.....	.....	.....	.....	.....
.....	180	135	124	}	1199600	908	.....	1123	173	153	.....	249	.....	84	84
.....	195	135	124	}	1197300	907	.....	1100	171	[1] 150	178	.....	173	.....	.....
.....	180	135	124	169	1220900	916	.....	1199	169	150	.....	.....	.....	.....	.....
.....	186	134	122	}	1244200	923	.....	1125	170	153	.....	251	.....	83	81
.....	182	132	120	}	1239100	909	214	1132	171	156	[5] 183	.....	171	.....	.....
.....	180	132	121	169	1314200	897	.....	1176	172	160	.....	.....	.....	.....	.....
.....	.....	132	121	}	1316200	908	.....	1177	176	160	.....	260	.....	82	83
.....	.....	.....	.....	.....	1330700	916	.....	1197	180	.....	.....	.....	174	.....	.....

[8] September.
[9] First quarter.
[10] June.
[11] Second quarter.
[12] Average, January to October.
[13] Not including clothing or miscellaneous articles.
[14] January to June.
[15] Million.
[16] Includes food and rent only.

We have heard a great deal about the number of Canadians who have gone to the United States during the past few years. I have often thought that hon. gentlemen opposite—yes, and hon. gentlemen possibly in all parts of the House—have not given as much attention as they should to the actual causes that have brought about in many cases the emigration of Canadian workmen to the United States. A few years ago the United States inaugurated a quota restriction regulation, with the result that during the boom times, particularly the early part of 1923, industry in the United States found it difficult to get a sufficient number of workmen, and through friends of Canadians in the United States opportunities were frequently offered to Canadian workmen to go to that country. Another new condition in the United States is the immigration into that country of people from Mexico. I am going to ask permission to place on Hansard, Mr. Speaker, a statement showing the number of immigrant aliens admitted to the United States from Canada, Newfoundland and Mexico during the two years ended December 31, 1924, by months.

The statement is as follows:

Immigrant aliens admitted to the United States from Canada, Newfoundland, and Mexico, during the two years ended December 31, 1924, by months

	Country of Last Permanent Residence		
During 1923—	*Canada	Mexico	Newfoundland
January	7,995	3,238	
Feburay	7,405	5,506	
March	8,857	7,508	
April	16,427	7,097	
May	18,912	8,258	
June	19,157	8,248	
July	16,184	9,110	
August	16,396	9,322	
September	16,657	8,097	
October	15,858	6,131	
November	20,962	4,925	
December	17,559	4,184	
Total	182,369	81,624	
During 1924—			
January	15,598	4,920	
February	14,092	6,461	
March	13,474	12,954	
April	17,517	10,696	
May	17,216	7,587	
June	19,177	4,949	
July	7,768	2,001	46
August	10,154	2,385	87
September	9,905	2,325	174
October	10,143	1,870	236
November	12,321	1,631	281
December	11,733	1,489	259
Total	159,098	59,268	1,083

*Prior to July, 1924, Canada and Newfoundland were combined.

[Mr. Murdock.]

These figures show that in 1923 the number of Canadians who went to the United States was 182,369, and the number of Mexicans 81,000, while in 1924 the figures were 159,098 from Canada and 59,268 from Mexico. But there is another side to that question: not all the Canadians who went to the United States remained there, by any means. Many of them went there to work for a while and to return to Canada as soon as they could. I have here a report showing the number of Canadians who returned from the United States, after an absence of six months or longer, during the eleven months ended February 28, 1925, and I would ask permission to place it on Hansard.

The statement is as follows:

Report of returned Canadians from the United States, after an absence of six months or longer, during the eleven months ended February 28, 1925.

	Canadian-born citizens	British subjects who had acquired Canadian domicile	Naturalized Canadian citizens	Totals
April	3,608	289	190	4,087
May	4,170	505	261	4,936
June	3,962	447	311	4,720
July	4,426	405	296	5,127
August	4,023	552	416	4,991
September	2,952	434	239	3,625
October	2,844	394	242	3,480
November	2,614	357	215	3,186
December	2,618	353	194	3,165
January	1,395	199	121	1,715
February	1,641	239	132	2,012
Totals	34,253	4,174	2,617	41,044

I also have a statement of Canadians who went to the United States and returned within six months, each of whom paid the head tax of $8 on his admission to the adjoining republic, which amount was refunded when he returned to Canada.

The statement is as follows:

During	1923	1924
January	2,839	3,614
February	2,927	2,839
March	3,473	5,503
April	3,749	5,813
May	4,418	5,888
June	4,384	5,030
July	3,397	3,803
August	3,376	3,272
September	2,626	2,218
October	3,150	1,610
November	3,843	1,693
December	5,250	2,033
Total	43,432	43,316

These figures, which are very interesting show that in 1923 Canadians to the number of 43,432 returned from the United States and

secured a refund of their head tax payment having been in that country less than six months. In 1924, 43,316 Canadians returned under the same conditions. What do the figures indicate? Do they indicate a lack of employment in Canada? No, because a great many of the forty-three thousand odd who went to the United States in each of the years mentioned were eminent gentlemen, high in the business circles of Canada who, it may be with their families, went to California or Florida for a vacation of weeks or months, as the case may be, paid the head tax for themselves and their dependents, and on returning to their homes or places of business in the six months period had the head tax they had paid refunded to them. Yet these are cited by my hon. friends opposite as workmen leaving Canada to secure a job. In reality they were individual citizens of this country so well placed that they could go to the other side to take a holiday for several months.

Mr. MANION: I should like to ask my hon. friend a question in order to obtain information and not with a view to making an argument. Is it not true that people from Canada who go to the United States on a holiday are not entered as going there to live? I ask the question for information because I am certainly of that impression myself?

Mr. MURDOCK: My hon. friend may be right; in many cases that is so. I think, however, that it may depend upon the particular port of entry and how strict the immigration officer is. At any rate that used to be the case in years gone by. I have been through nearly every port of entry on the international boundary, and know something of the conditions. I know that sometimes they charge the head tax even although the person entering the United States says that he is only going across for a visit of a few weeks. Personally I was never charged the head tax, but what I have stated is the actual fact.

Now, Mr. Speaker, I must really hasten along. In doing so I find it necessary to refer to a question connected with the member for Fort William and Rainy River (Mr. Manion). It has to do with one of the most unfortunate episodes that has ever occurred in this House, at any rate since I have been a member of it. A discussion was under way here when my genial friend, with the enthusiasm that characterizes him, talked about one-third of Canada being ready for annexation and being ready to vote for it.

Mr. MANION: May I correct my hon. friend?

Mr. MURDOCK: I am quite sure that the hon. gentleman will not even now change his viewpoint.

Mr. MANION: I do not want my hon. friend to put into my mouth words that I did not make use of. He corrected me a few minutes ago in regard to the statement that I attributed to him wherein he was quoting somebody as saying that there were twenty million unemployed in the United States. Now I must correct the minister in the same way. I did not make the statement that one-third of Canada would vote for annexation; I said it was the statement of an outstanding man whose name was familiar to every hon. member in this House. I did not make the statement that one-third of Canada would vote that way and my hon. friend must not seek to put such words into my mouth.

Mr. MURDOCK: I will read the hon. gentleman's own words which are to be found at page 158 of Hansard:

> Mr. MANION: I am not so sure if at the present time a vote were taken in the section of which he speaks it might not carry, due to the terrible conditions brought about by the foolish policies of this government.

Mr. MANION: Wait a moment. Just before that, if my hon. friend will permit me, I quoted the authority for the statement.

Mr. MURDOCK: My hon. friend said on the occasion referred to:

> I did not give that as my own statement; I gave it as the statement of an outstanding gentleman in this country—

Mr. MANION: Hear, hear.

Mr. MURDOCK:

> —a gentleman whose name is familiar to everyone in the House. He said to me that if a vote for annexation were taken in this section of the country, which comprises one-third of the people of Canada, it would carry overwhelmingly.

Well, let us see what the result of that was. On the strength of a press despatch with reference to this statement going out from Ottawa the following item was published in the Chicago Tribune of February 15, 1925:

> Canada Hears Third of Nation Would Join U.S.
>
> Ottawa, Can., Feb. 14.—(United News.)—Talk of secession from the British empire was heard in the Canadian parliament last night when opposition speakers, battling with the government, declare that if a vote were taken "tomorrow in an area comprising one-third of the Dominion's population" it would be overwhelmingly in favour of annexation to the United States.
>
> Minister of Labour Murdock told the House of Commons that it was "criminal" for the opposition to bring this issue into the debate. But Dr. Manion,

one of the opposition leaders, stuck to his guns, declaring that he would back the secession statement with facts.

With the great trek of Canadians continuing across the international boundary line into the United States, Canada, according to many politicians, faces a crisis.

Mr. McQUARRIE: May I ask the minister if he is quoting from another American paper?

Mr. MURDOCK: I said I was quoting from the Chicago Tribune of February 15, 1925. The item was sent to me by a personal friend, a good old boy raised in Zorra in the county of Oxford, who loves Canada and everything in it, and who wanted to know if that was the kind of talk that was going on here because, he said, he did not believe it.

My hon. friend in his speech on the budget referred in very critical and unkind terms to this government. He said many things with respect to us, and among other criticisms referred to those hon. members who went over to the Wembley exhibition. He said something about his not having voted for the appropriation to meet the expenses of the trip but that he did not dodge the vote. "I do not dodge votes," said my hon. friend. At the time I could not see what the purpose was of a statement of that kind, or why the hon. gentleman should make such a positive declaration. Accordingly I took the trouble to have some figures compiled in order to find out if the hon. member for Fort William and Rainy River was always "on the job" when a vote was taken, because that is what he seemed to want us to understand. I find that in 1922 the hon. member voted on nine occasions, was paired on two occasions, and on two occasions missed the vote. In 1923 he voted on seven occasions, was paired on six occasions, and on twelve occasions did not vote. I find that in 1924 the hon. gentleman voted on ten occasions, was paired on six occasions, and on eight occasions did not vote. I do not know even yet what his statement at the time had to do with the particular question under discussion, but it seemed to me that it was quite proper the House should know what my hon. friend's record in the matter of voting had been. When attention is being called to these matters, it seems to me to be proper to bring to the notice of my hon. friend just what his record in the matter of voting had been.

Mr. MANION: Would the minister give his own record?

Mr. MURDOCK: I will be glad indeed to have it checked up.

[Mr. Murdock.]

Mr. MANION: I wish the hon. minister would go ahead and give it now. I venture to say it is not any better than mine.

Mr. MURDOCK: I am quite sure it is better than the record I have just read. I missed two or three votes last year, Mr. Speaker, because certain hon. gentlemen wanted "to uphold the honour and dignity of parliament;" otherwise I would have been able to vote.

We had a great deal of discussion on certain matters. I want if I can, Mr. Speaker, to see ourselves as others see us. We would get the blues absolutely if we ever came to the point of being convinced by our Tory friends opposite of what a bad job we were making of running this country, and how nearly to the merry bow-wows Canada has gone since the Liberal party came into power. Therefore I do not think it would do any harm if we digressed for a short time to ring a note of optimism into this discussion and to bring to the attention of the House what the press of Canada thinks of us and what are really the conditions as shown by the press. I am not going to deal only with papers that are favourable to the Liberal party. Let us take the other newspapers and go over them as briefly as we can. I will quote first Agricultural and Industrial Progress in Canada, published monthly by the Canadian Pacific Railway. It should be a reasonably conservative journal. In the issue of March 25, 1925 I find the following:

The coast province—British Columbia—is very active. Its building programme is of considerable dimensions; its lumber prospects are better with new sawmills and new logging camps opening up in districts that have been lying fallow. The mineral situation is active, showing all signs of a progressive year. Agricultural development along all lines is quite normal with a better outlook, and altogether British Columbia is looking forward to a first-class business year.

My hon. friend from New Westminster (Mr. McQuarrie) and my hon. friend from Vancouver South (Mr. Ladner) will be glad to hear that. Then, Dun's Review March 5, 1925—

Mr. McQUARRIE: Does the minister think the government is responsible for that?

Mr. MURDOCK: I did not say that.

Mr. McQUARRIE: I do not think so.

Mr. MURDOCK: No, but I think the government's policy has helped.

Mr. McQUARRIE: Then the hon. gentleman does think so.

Mr. MURDOCK: Then, Dun's Review published in Toronto has the following:

Industrial activity is growing slowly and the outlook appears quite bright. Lumbering companies are discontinuing operations for the season in so far as cutting is concerned but are still holding a number of employees in reserve for the spring drive. Lumber merchants anticipate a steady trade all through the summer and look with particular favour upon the prospects for export trade to the American side, where prices have been rising and supplies are in a narrow compass. An extensive building programme has been mapped out for the province and artisans and labourers in this line should be well employed until the snow flies. Overall and shirt factories in most cases have all the business their capacity allows.

Then referring to Quebec, Dun's Review states:

Clothing manufacturers have more spring orders on hand than at this time a year ago, but bookings for fall are coming in more slowly.

Car loadings reported by the Bureau of Statistics are:

The number of cars loaded in 1924 show an increase of 53,723 over 1923.

From the beginning of 1925 up to the week ending March 14, car loadings have exceeded those of a similar period in 1924 by 5,784, the totals for these periods being 564,662 and 558,878. It might be noted that in this period of 1925, there have been over 20,000 fewer grain cars than in 1924 and the increase in other cars must be considerably greater to offset this decrease.

The Toronto Financial Post, March 20, captions an article in these words:

West is getting back to a much sounder basis
What one good crop has helped to do for Manitoba.

Then the Ottawa Evening Journal, March 16, 1925:

Work is started in sulphite mill.

The Ottawa Citizen of March 18, 1925 says:

Kingston lead mines will open up again, Syndicate takes over plant and will instal modern equipment.

The Montreal Gazette, March 27, referring to the Brantford Cordage Company, says:

Brantford Cordage Company.
To issue block of first preferred stock.
This increases their productive capacity by about fifty per cent. At the present half of the Canadian requirements in binder twine are imported and this addition to the plant will enable the company to share, in a larger way, in supplying Canadian domestic requirements. The Brantford Cordage Company have since their inception grown until to-day they are the largest manufacturers of binder twine in the British Empire.

And I understand they are not using the bottle of protection any longer. Then the Montreal Gazette, March 27, captions an article in this manner:

Good showing by Steel of Canada.
Profits equal to 9.3 per cent on common after all charges.
Working capital up.
Increase of $664,000 brings excess of current assets to nearly twelve millions.

We have in the same paper on the same date an advertisement of the Brantford Cordage Company which has this to say about that concern:

The company is the largest manufacturer of binder twine in the British Empire and owns and operates a plant occupying seven and a half acres at Brantford, Ontario. There has been completed and put into operation last January a third mill with the most modern equipment, which increases the productive capacity of the company approximately fifty per cent. The business is largely domestic, but the company's product is also exported to practically all the grain-growing countries of the world. Owing to its low manufacturing costs, the business has been able to meet all competition.

The Vancouver Sun, of March 19, publishes an article captioned in this way:

New industry located here.
K. and L. Box Company to erect $100,000 plant in royal city.

The Kitchener-Waterloo Record of March 23, says:

New industry for Kitchener.
Threshing dust and fire preventer company will assemble machines in this city.

The Winnipeg Tribune, which will not be charged with being too favourable to this government, has an article in its issue of March 19, referring to unemployment in Canada, the last part of which says:

But just as the present industrial depression is being felt in all our cities, so will the period of prosperity which lies in the offing be equally general and widespread.

The Port Arthur News Chronicle, March 18, 1925, publishes an article on this question, and my hon. friend from Fort William and Rainy River ought to get this:

One hundred men will work from June to November on new dam.

The Hamilton Herald, February 17, 1925, says:

Plants here hum as large orders come.
McLaren's Limited now working night and day on output.
Steel of Canada, too.
Greening's working double shifts; government to spend fifty thousand dollars here.

The Toronto Globe of February 13, 1925, says:

Hamilton factories find business good.
Working full time and on Saturday afternoons. Extra hands engaged.
Steel plant also busy.

The Montreal Gazette, February 26, 1925:

January steel production up.
Ingots and castings output reached total of 27,126 long tons.
Pig iron advanced.
January output was 25 per cent above that of December. Prices moved upward.

The Hamilton Spectator, which is not too friendly to the government, on February 17, 1925, published the following:

More signs of prosperity in factories here.
McLaren's working day and night on orders.
Steel Company opens mill at Ontario plant.
B. Greening Wire is using some double shifts.

The Kitchener-Waterloo Record, February 13, 1925, says:

Cost of charity is much smaller.
Little being spent on relief this winter in comparison with last year; believe $9,000 will cover bill.

The Smiths Falls Record News, February 26, 1925, says:

Almost a record staff of men at work in the Frost and Wood Company's implement plant. Some excellent foreign orders have been received, which they are busy working on at present, and shipments of carloads are being made daily to the seaboard.

Reductions in the price of farm implements were made last April and further reductions became effective in December, and there is every evidence that these lower prices to the farmer have already stimulated the placing of orders that had been held back by the higher prices which prevailed during the past few years.

The Hamilton Herald of March 3, states:

Other Hamilton firms feel the return of better times.

The Globe of February 13, states:

Hamilton factories find business good. Working full time and on Saturday afternoons—extra hands engaged.

The Ottawa Citizen of March 31, says:

Profits practically doubled by Smelting Company of Canada.

The Hamilton Herald of March 27, states:

Industry in Hamilton to get impetus. Brightest outlook in years, says C. W. Kirkpatrick, New plants likely. Many delegations visiting city with an eye for industrial sites.

There have been more inquiries and delegations here during March than during any two months last year," said Mr. Kirkpatrick. "The department has had an average of one and two delegations studying the industrial situation and looking over industrial sites in this city every day this month."

This is all optimism, something that our hon. friends opposite should take a large dose of.

The Hamilton Spectator of March 28, under an editorial caption "Looking Up," has this to say:

The period of depression through which Canada has been passing has been extended longer than was really necessary, it is now admitted, because of the fact that money was both tight and afraid. If industrial representatives are now seeking sites for expansion, it can only be interpreted as meaning that investors realize the time to put their money to work again is at hand. The improvement in the local unemployment situation has not been sensational, but it has been steady. By ones and twos the army of the jobless is being depleted, as the men return to lathe and bench and make the acquaintance of pay envelopes again. It will not be a boom year, but there is every evidence that trade and commerce will be more brisk than it has been in any other year since the armistice. The greatest asset will be confidence.

I commend that to the consideration of my hon. friends opposite.

[Mr. Murdock.]

The Chatham News of March 28, says:

Chatham Sheet Metal Works well pleased with prospect for business this season.

The London Free Press of March 28, states:

Sheet Metal Works is opened in city.

The Toronto Globe of March 27, says:

Prosperous season for wool growers. Nice surplus for distribution among shareholders and shippers.

Then it goes on to say:

The Canadian Co-operative Wool Growers are smiling. After transferring $10,000 to reserve, paying an 8 per cent dividend on capital stock, and reserving over $2,000 for income taxes, the company still has sufficient surplus on the year's operation to pay bonus of one-third cent per pound to all 1924 shippers.

I come now to the monthly letter of the Royal Bank of Canada and I find this:

In Ontario, statements from 5,832 concerns, employing 709,878 people on February 1, 1925, indicate an increase of 16,821 over the number employed at the beginning of the year. The labour requirements, both in manufacturing and logging, are increasing.

Then we find in Agricultural and Industrial Progress in Canada, published by the Canadian Pacific, a publication which was referred to a short time ago, this article under date of April, 1925:

Montreal, Que.—An increase of approximately 50 per cent has taken place in the live cattle exports to the United Kingdom in the period January 1 to March 19, 1925, as compared with the corresponding period last year. Up to March 19 the exports of cattle in 1925 were 14,662 head, as compared with 10,531 in the same period in 1924 and 9,511 in 1923.

Ottawa, Ont.—Canada exported meats to the value of $2,528,070 during the month of February, as compared with exports of $1,294,046 in the corresponding month of 1924, according to a report of the External Trade Branch. Shipments for the twelve months ending February, 1925, had a total value of $27,843,848, compared with shipments worth $22,291,385 in the preceding twelve-month period.

That does not look like too bad business.

Ottawa, Ont.—Canada's exports of automobiles continue to increase and New Zealand is the Dominion's best customer for such vehicles. Last month a total of 4,008 passenger autos, valued at $1,843,551 were exported, and of these New Zealand took 1,114. These shipments compare favourably with January when 3,732 autos were exported and with February, 1924, when 3,230 were dispatched to foreign markets.

Hamilton, Ont.—There has been a noticeable revival of building activity in Hamilton since the beginning of the year and, if present anticipated business crystallizes, the city will experience in 1925 one of the best building seasons for some years. The latest project on foot here is the announcement that from forty to fifty residences will be built by one contractor in a new section of the city being developed.

Winnipeg, Man.—Approximately $1,000,000 ahead of last year, to date, in contracts let and buildings under construction.

Then we have the Montreal Star of April 6, which has an article captioned:

National Brick had more favourable year

It says:

C. C. Ballantyne, the president, remarks that while the sales for the fiscal year show only a slight improvement over the sales of the previous year, the higher profits were obtained through improvements made at the plants, which have resulted in greater efficiency and lower manufacturing costs. While the demand for brick has enabled the plants to operate only at 60 per cent of capacity, he stated that the directors consider the outlook for the coming year as favourable, and an improvement is anticipated.

Evidently, he has an optimism for the future of his company if not for that of his party. The Galt Reporter of April 3, has this to say:

Campbell Chrome Leather Belting Company, Limited, is Galt's newest industry.

The Monthly Commercial Letter, issued by the Bank of Commerce for March, 1925, makes this statement:

That general business has not receded is evidenced by the fact that car loadings continued to be equal to those of twelve months ago, although the grain crop is so much less in volume. In industrial districts of the Dominion there have been fewer complaints of unemployment in February. It may also be noted that permits for building construction issued during January exceeded by 22 per cent those of January, 1924.

I am very sorry the hon. member for Fort William and Rainy River (Mr. Manion) has left the chamber, because this is something that he should really hear. I would suggest that the hon. gentleman and some of his associates should get in step with their press. The Tory press and some of the members of the Tory party are entirely out of step. The hon. member for Fort William and Rainy River had this to say on April 2 as reported in Hansard, page 1795:

Now, Sir, what does the Conservative party offer the country in place of the policies which I have been criticizing? They offer a stable tariff policy which will bring about prosperity and success; and they offer it to all classes, to manufacturers and to farmers—to the 2,000,000 farmers of Ontario and Quebec who require protection.

And so forth. He goes on to complain bitterly about the tariff. This is an advertisement from the Montreal Gazette of April 6, 1925, over the signature of the "London Free Press, western Ontario's foremost newspaper." These two Tory papers are certainly out of step with the hon. member for Fort William and Rainy River and some of his colleagues. This is what the advertisement says:

A rich industrial area. The London market.

Then there is a picture of the belching smoke.

London itself is the home of four hundred and sixty-four thriving industries. And these thriving industries bring wealth to London and spend it there.

And in the territory surrounding London are to be found innumerable towns and cities, each with its quota of factories and factory workers. Ingersoll, Woodstock, St. Thomas, Aylmer, Tillsonburg, St. Mary's Stratford, Sarnia, Chatham, Glencoe, Petrolia, Clinton, Goderich, Wingham, Listowel and other towns are the sites of a great variety of thriving industries.

The wealth expended in these towns and paid to factory workers is no less important than the revenue from the rich agricultural districts in this territory. The whole of this territory, in town and country, is catered to by the London Free Press.

That is optimism in advertising; and it is to be hoped that the London Free Press and the Montreal Gazette will be just as optimistic in their news columns when referring to the budget debate and the work of this session of parliament.

I want now to refer to one other matter which I think we might call Tory propaganda. Here is a letter sent out by the Canadian Labour Press under date February 5; I presume it is a circular:

Attention General Manager

GENTLEMEN,—In view of the near approach of another general election the Canadian Labour Press deem it an opportune time to issue a series of bulletins (to be posted in different factories, labour temples and other prominent places in the country) dealing with the need of effective tariff protection in Canada.

The Canadian Labour Press realizes that without tariff protection Canadian industry and Canadian labour will be greatly handicapped and the various arguments presented in the bulletins will be with the idea of educating labour to a sound and sensible viewpoint on this important question. We know of no more effective manner of reaching Canadian workers than by a series of concise and forceful bulletins such as the one enclosed.

That is Tory propaganda, and it will be seen that in this they are sailing under false colours, for it is sought to give the impression that labour is back of it. It is well for this House to know that the Canadian Labour Press has no standing with organized labour; it is unauthorized; and it is handled by certain gentlemen for their own purposes and in their own interests. I think it can be shown that, generally speaking, they have been pretty sane and reasonable. Why not? Note their head offices—Room 25-A, 207 St. James street, Montreal, Quebec, and 79 Adelaide street east, Toronto, right in the heart of the Tory district in each case. They start out with this kind of propaganda, which is being disseminated among the various manufacturing interests in the industrial centres of the provinces. The document winds up thus:

Will you kindly advise us how many copies of each bulletin could be used to advantage in your plant? As we are anxious to complete our mailing list, a prompt reply will be appreciated.

Yours sincerely,

THE CANADIAN LABOUR PRESS LIMITED.

And here is the bulletin:

Canadian Labour Press Bulletin Service. Tariff protection: What it means to Canadian workers. Staple industrial conditions will result when the manufacturer is not obliged to meet unfair competition. Steady employment for the workers when the factories are operating full time. Higher wages are possible through increased production and increased consumption. Lower taxes and our capacity to take care of present taxation will be the natural result of Canada's increased prosperity.

It is all a part of Tory propaganda, the object of which is if possible to deceive the working people of this country. And who is paying for it? Here is an issue of the Canadian Labour Press, and as I have not the slightest desire to draw any improper inferences I shall just cite from this sheet some of the advertisements that are published and leave hon. gentlemen to make their own deductions. We can then see whence comes the money to pay for these advertisements. Is it from organized labour? No; I do not think a dollar of it comes from organized labour. And this journal has no connection with organized labour but is travelling under false colours for the purpose of trying to deceive labour in Canada. Here are some of the advertisements: Anglin Norcross, Limited, Montreal; Boulter-Redmond Limited, Montreal; Canadian Paperboard Co., Ltd.; Cunningham and Wells, Limited, Montreal; Canadian Car and Foundry Co., Limited, Montreal. Here is one advertisement:

Drink Cosgrave's beers!

This is from the Cosgrave's Export Brewery Co., Ltd. Then there is an advertisement by J. W. Cumming Manufacturing Co., Limited, New Glasgow, Nova Scotia, and one from The MacFarlane Shoe, Limited. Here is another one:

Insist on Goodyear Welts when purchasing your footwear.

There is also an advertisement from Congoleum Canada Limited, Montreal, and one from The News Pulp and Paper Co., Limited, Montreal, as well as one from The Bronson Company, Ottawa. Are these advertisements inserted by people who are interested in labour? No; that is not the way the game is played. In my judgment this is all part of a campaign to fool the workers of the country; and there will always be found those who will lend themselves to such a thing. But I think that organized labour is alive to the situation and it knows that there is nothing behind all this but propaganda. And it is the same sort of Tory propaganda that was rife throughout the length and breadth of Canada in 1921.

Now may I refer briefly to another bit of Tory propaganda. Certain newspapers in Canada, the Montreal Gazette and the Ottawa Citizen, among others, carried recently some statements like the following. First I quote from the Montreal Gazette:

Premier called anti-Canadian. Senator Robertson arraigns King government for broken promises.

The Ottawa Citizen had an item under the following caption:

Many thinking the Prime Minister not pro-Canadian.

In the course of its report of what that hon. gentleman is stated to have said, the item in question has the following statement:

He thought that this province—

That is, the province of Quebec.

—would be the last in the Dominion to look favourably on a pro-American policy.

Mr. MACKENZIE KING: Read the article.

Mr. MURDOCK: Perhaps I had better do so. The article in its entirety reads:

Says Many Thinking the Prime Minister not Pro-Canadian

Canadian Press Despatch

Montreal, April 7.—Frequency of the Prime Minister's visits to the United States was referred to in an address by Senator Gideon Robertson, late minister of labour in the Meighen government, in an address to the Liberal-Conservative Association here last night.

"Throughout Canada," said Senator Robertson, "many people are thinking that the policy of the Prime Minister is not pro-Canadian."

Senator Robertson declared that a year ago the budget was held up for four days while the Prime Minister went to the United States, and that last Friday when the budget was before parliament "the Prime Minister got suddenly tired and went to New York—and is there now."

The Speaker said there were many indications to prove this feeling, and he was amazed that Quebec did not take more interest in "that tendency on his part." He thought that this province would be the last in the Dominion to look favourably on a pro-American policy.

Senator Robertson denounced the government for the sums expended on royal commissions, and went exhaustively into the financial standing of the country.

That is Tory propaganda. But what are the facts? There was a slight delay last year in the discussion of the budget but it was due to bereavement in the home of a very responsible member of this House who desired to be present during the debate on the budget and who had a right so to wish. That was the only adjournment of the budget debate last year, and it ill becomes my distinguished

predecessor to have tried to make the situation appear otherwise.

But let us analyze it further. The distinguished gentleman who was telling this story for the purpose of trying to fool the people, and particularly those in the province of Quebec, receives his instructions from, makes his reports to, and receives his pay cheque monthly from an organization with headquarters in the city of St. Louis, Missouri. There is absolutely nothing wrong with that, so far as I know. I do not in the slightest object to the position that the hon. gentleman finds himself in, but how little indeed must our Tory friends have of reality to present to the people of the country when they have to resort to such camouflage and subterfuge in an effort to fool the electors in the event of an election coming in the future.

Mr. McMASTER: What international union is he connected with?

Mr. MURDOCK: He is vice-president of the Order of Railway Telegraphers. He holds the same position in the Order of Railway Telegraphers that his successor held in the Brotherhood of Railroad Trainmen. His successor's headquarters were at Cleveland, Ohio, up until the 9th day of January, 1922. The distinguished gentleman of whom we have been speaking has his headquarters at St. Louis, and his pay cheque comes from there monthly. That is all right. But why should he go out and start to talk about something that is not material or worth while?

I am sorry, Mr. Speaker, to have taken up so much time. I am not quite through yet, but I think I can finish in the few minutes remaining before six o'clock.

We have heard from the opposite side of the House, and particularly from our distinguished friend the former Minister of Finance (Sir Henry Drayton), about the terrible foolishness of this government in its tariff policies. We have been charged with everything that is unfair, even dishonest, I think, and untruthful in our declarations, and in our relations with the House and with the people of Canada. I think the distinguished gentleman who represents West York, and who was Minister of Finance in the previous government, should really give some attention to the position of his own government. When they had an opportunity to fix everything up ship-shape, what did they do? We find that in the Speech from the Throne which was delivered to this House on February 14, 1921, His Excellency was made to say:

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

And, Mr. Speaker, they are still due. Those conclusions have never been submitted; they have never been, so far as I know, compiled. The bills for the inquiry, which covered the length and breadth of Canada, have been paid. My friend, the member for West York, the former Minister of Agriculture (Mr. Tolmie), and my predecessor in the office of Minister of Labour, toured this country to find out all about the tariff and what should be done about it, and they put words in the mouth of His Excellency on February 14, 1921, indicating that they were going to deal with the tariff; but let us come now to May 9, 1921, when we can visualize the distinguished member for West York on the floor of this parliament delivering his budget speech, and here is a portion of it:

> It is not proposed to put into effect now a general revision of the tariff schedules. While Canada must make her own tariff and while that tariff must be a tariff dictated in the interests of Canada and her people, it is not advisable that frequent changes should be made.

Did you ever hear of crawfishing? Is not that as fine an example of it as anyone ever heard? and it emanates from men who have—shall I say, to put it as kindly as possible—the nerve to get up here on the floor of the House and charge this government with this, that and every other thing. In other words, Mr. Speaker, the Tory party did not have the nerve to make the changes in the tariff that their friends wanted, because they knew the people of Canada would not stand for it, and now they are continually finding fault with this government because it has not done so, and does not propose to do so.

CANADIAN NATIONAL RAILWAYS—REPORT

Hon. J. A. ROBB (Acting Minister of Finance): Before you leave the chair, Mr. Speaker, by unanimous consent may I on behalf of my colleague the Minister of Railways (Mr. Graham), table the annual report, in English and in French, of the Canadian National Railway system for the year ending December 31, 1924.

Mr. SPEAKER: It must be by leave of the House, of course, because we would have to revert to Motions. I understand that the hon. gentleman is given leave to lay this report on the table.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 10, respecting the London Mutual Fire Insurance Company of Canada, and to change its name to London Fire Insurance Company of Canada.—Mr. Hocken.

Bill No. 36, to incorporate Guaranty Trust Company of Canada.—Mr. Chevrier.

Bill No. 34, to incorporate the British Consolidated General Insurance Corporation, and recommending that the title of said bill be changed to "An Act to incorporate the British Consolidated Insurance Corporation."—Mr. Irvine.

THE BUDGET

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

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

Mr. W. G. McQUARRIE (New Westminster): I suppose I should congratulate the Minister of Labour on his "maiden budget speech" as he called it. A maiden speech should always be acknowledged, and even when a speech is so mature as this particular one was I presume there should be commendation. I do not wonder, however, that the minister apologized for it. It seems to me that a generous apology is due to the House for much of the material that was contained in the speech.

The minister in his introductory remarks told us that many matters had been referred to in the debate which should be "put right" and then he proceeded to put some of them right. The first thing he did was to rechristen the Immigration department. No doubt you noticed, Mr. Speaker, that he referred to it as the "Emigration" department. He spoke of the "Deputy Minister of Emigration" and also of the "emigration" policy of the government. I take it the characterization is most appropriate considering the fact that since this government came into power the number of people who have left Canada, as compared with those who have entered the Dominion, is rather alarming.

The minister entered into a discussion of conditions in Canada generally, and he quoted many statistics. He started by giving particulars as to the number of factories which had closed in Canada during certain years, and entered into a dispute with the Canadian Manufacturers' Association which amounted to this: It appears that the Canadian Manufacturers' Association had claimed that some thirteen hundred factories had closed in Canada, whereas, as a matter of fact, according to the list supplied to the minister there were only something like twelve hundred. The minister gave us all these figures. Personally I do not appreciate what he thought he was gaining by it, because even taking the minister's own figures conditions are bad enough in Canada. He referred to certain years, namely, 1914, 1915, 1920, 1921, 1922, 1923 and 1924. He was asked why he had chosen those particular years and made some kind of an explanation, but the real reason was obvious; he had taken a good deal of care in picking out those years and thought they would serve his purpose better than any other. It was quite obvious also that if the minister had intended to be fair he might have included the figures for the years 1912 and 1913 before the war.

The minister also gave some figures dealing with wool-pulling establishments. I wonder did he include in his statement the attempt of the government to pull the wool over the eyes of the people in the matter of the budget surplus, which has been referred to by someone as a cross-word puzzle, the answer being the seven-letter word spelling "deficit".

The minister spoke on matters connected with a great many departments of the government but said very little about his own. I think one subject which might be included in his department was that of unemployment. The minister pretended to show that there was no real unemployment in the Dominion, and in this respect that Canada was in a much better position than many other countries. The minister spoke of conditions in the United States as being bad, and he referred to the emigration to the United States from this country as not amounting to very much; in fact, as he put it himself, he wanted to dispel the theory which was being advanced in some quarters that Canada was going to the merry bow-wows, and, as he said, wished to sound a note of optimism. It seems to me the minister has gained the reputation of being the sunshine purveyor of this administration; he sought to diffuse sunshine all over the House. According to him everything is lovely in Canada, there is nothing to complain about; and, as he says himself, for that condition the government is responsible. However, he hedged a little later when

I asked him a question. When I referred particularly to British Columbia he at first, in reply to my question, admitted that the government had nothing whatever to do with whatever prosperity may exist in British Columbia at the present time. Afterwards he said: Oh, yes, it was the policy of the government that was responsible for it.

It seems to me that if we wish to get at the real conditions in Canada we might very well take the railways as being a fair index. Now what has happened in regard to the railways? Last year the gross receipts of the Canadian Pacific Railway were between thirteen and fourteen million dollars less than the previous year; as to the Canadian National Railways the decrease was something like seventeen millions. Reasons for the decrease are given in the annual statements of the respective companies. First as to the Canadian Pacific railway. On page 6 of its report it is stated that:

> The decrease in freight earnings is largely accounted for by the much smaller movement of grain and flour, particularly the former, owing to the smaller crop in western Canada. There was also a substantial decrease in the movement of manufactured articles due to the depression which existed in Canada during the major portion of the year.

As to the Canadian National railways it is stated that:

> Prevailing business conditions and the smaller crop reduced the gross receipts of the company in 1924, by $17,547,305.

This is taken from the Canadian National Railway Magazine, which contains a photograph of the president, Sir Henry W. Thornton, on the opposite page.

The minister referred to "Tory propaganda" and in this connection, quoting from the Labour Press, said that the Tories were travelling under false colours. Well, I do not know where he got his authority for that statement. I do not know how much truth there is in it; as a matter of fact I do not think there was any good reason for it at all, but the minister seemed to find it necessary to make the rash statement. The minister also referred to Senator Robertson, and insinuated that he should be criticized for having received a pay cheque from St. Louis.

Mr. KING (Kootenay): I do not think the minister indicated any such thing. He was very fair in his statement regarding Senator Robertson; he stated the senator was entitled to the money and made no insinuation at all.

Mr. McQUARRIE: No insinuation? The minister mentioned the matter and I presume had some reason for doing so.

The minister also referred to the tariff and claimed that there had been some "crawfishing," as he said, by the previous administration in regard to tariff revision. It is quite true, as the minister stated, that the Speech from the Throne in 1921 did contain a reference to tariff and tariff revision, but I think the minister should have been fair enough to explain to the House that there was a good reason why that revision was not proceeded with, namely the fact that certain changes were being made in the United States tariff and it was only right and proper that this country should wait to see what the changes were before bringing in a revision; and he should also have stated that an election took place shortly afterwards and that the Tory government had no opportunity to bring this revision into effect. No doubt, when the next election is held and the Conservative party is returned this tariff revision will be proceeded with.

As I stated previously the minister dealt with many departments, but said very little about his own. I have been wondering if the Labour department as at present administered is serving any useful purpose. If my memory is correct, during the last election the minister stated that the functions of the Labour department were three-fold at least: first, to break up combines, trusts and mergers; second to provide a cure for unemployment, and third to settle labour disputes. I remember in the budget debate of 1921 the Prime Minister filled quite a number of pages of Hansard in speaking about combines, trusts and mergers, and in commending the action of the same minister who was then plain Mr. Murdock, of the Board of Commerce, for the action which he had taken. I find on page 3606 of Hansard of that year the following by the Prime Minister:

> The interim report concludes with a minority report by Mr. Murdock, in which the following appears:
>
> My belief is that it would be very much in the public interest for the public of Canada to know something more of the reasons that prevented the Board of Commerce of Canada from performing its functions in controlling profiteering and combines against the public interest as by law intended.

I think we all remember that during that election the hon. gentleman (Mr. Murdock) paraded around this country and on platform after platform stated what he would do if he became Minister of Labour. I take it for granted that that was the reason why he was made Minister of Labour. The question then presents itself to the House, has he done anything to make good? So far as I know he has not done anything to break up any combines, trusts or mergers. Certainly there

have been no prosecutions. I think there have been demands for prosecutions made just lately. If my information is correct, boards of trade in British Columbia and other places have been bombarding the minister with requests that certain combines should be prosecuted. One of these combines is known as Nash or Mutual combine. What has the minister done about it? I hold in my hand a report which has been presented by a commissioner who was appointed. This report contains sufficient information and sufficient material to justify prosecutions being started. Nothing has been done. The minister says: We have put it up to the provinces; let the attorneys general of the provinces deal with this question. Well, the attorneys general of the provinces are considering what action they can take, but nothing is being done. Is that the proper course for the minister to have taken? I submit, it is not. I have authority for that statement, my authority being no less a person than a Supreme court judge in the province of Nova Scotia, Hon. D. D. McKenzie, who was at one time leader of the opposition and afterwards Solicitor-General in this administration, and who has now been elevated to the bench. He took part in the debate of 1921, and at page 3293 of Hansard, he said:

> I do not look to the municipal councils, or to the local governments, for the administration of the law governing matters of this kind. We have a federal law dealing with trusts and combines.

He went on to refer to the suggestion which had been made, or which he alleged had been made, that private individuals might lay informations, and then he said:

> Could anything be more absurd than to imagine that any man is going to bear the burden of carrying through the various courts a case against a combine, with the support of all the other combines in the land behind it, and nothing on the other side but an ordinary man who found that he was charged too much for a pair of boots, a keg of nails, or something else he bought from that combine. The best legal talent of the land would be arrayed against him, and counsel's fees would be running up—

And so on. And then he proceeds:

> I thank my good friend from York (Mr. Maclean) —pardon me for mentioning his name, but I wish to show him my appreciation—for standing up in this House and stating that there should be a public prosecutor to deal with these cases. I agree with him. Until that is done and the government have a secret service from one end of the country to the other, and the combines realize that there is power behind the presecutor, we will have the governing of prices just to suit these combines and trusts.

I wonder if any such prosecutor has been appointed. If so, who is he? So far as I am aware no such appointment has been made. Mr. McKenzie goes on to say:

> And the government says to its darling: "Don't be concerned; we knew it would die. Now be happy and contented, for we have carried out our promise to you. We were always behind you, and we will continue to be behind you, and you will have things absolutely your own way, except of course that, for appearance sake, we must ask the attorneys general in some of the provinces to do something, but we know there is nothing they can do."

That is exactly what the minister is doing now—asking the attorneys general of the provinces to do something. That is the minister's record as to combines, trusts and mergers. He did not say a word about that subject in his address.

Then we come to the second function, to provide a cure for unemployment. The minister's cure for unemployment is to say that there is practically no unemployment in the country. I wonder how many people in Toronto, in Montreal, in Hamilton and in other places will agree with him. I wonder what the provincial premiers will say when they hear of his statement that there is no unemployment in the country. Certainly this government has decided this question, to this extent—it has decided that it will do nothing to assist in relieving unemployment.

We come now to the third function of the Labour department, to settle labour disputes. We did not hear from the minister a word about the coal strike in Nova Scotia. You would think there was no strike down there. You would think there were not thousands of people starving in that province. You would think there was no trouble of any kind there. I suppose in his mind sunshine pervades that province just as it does other provinces in this Dominion and there is no cause for trouble there at all. It seems to me that, instead of being in this House at this very instant, the Minister of Labour should be in the coal fields of Nova Scotia trying to see if it is not possible to settle that strike. The minister is not down there and perhaps there is a reason for that. I am informed that there is a reason and that that reason is that some years ago, when the minister was an official of an international union, he visited Nova Scotia and assisted in a strike on the railway of the coal company, and that, as a result, as regards the coal mine and steel workers, he is the most unpopular man in Canada. I think it is a standing disgrace that the Minister and the Department of Labour are not trying to ameliorate conditions in Nova Scotia. It is true it might be injudicious for the government to take sides in this dispute; but when women and children are starving in those coal fields, the government should do something. We cannot disbelieve the statements which appear in

the press, from so many reliable people, and we know that in Ottawa it has been found necessary to open an office for the purpose of receiving relief for these miners. The Minister of Labour, instead of coming to this House and spreading sunshine, should be down in Nova Scotia trying to do something to settle that strike. This wonderful man, this Minister of Labour, it seems to me, has fallen down. When we consider the statements made by him prior to elections and when we consider and examine his record since he has been a minister, we wonder what has happened to this reincarnation of Jack the Giant-killer. I do not propose to deal at any further length with the "maiden budget speech" of the Minister of Labour.

I wish to take this opportunity of referring to a tour which I was privileged to take with other members of this House and members of the Senate to South Africa last year. It is only fit and proper that some member of that delegation in this House should acknowledge the courtesies extended to us in South Africa and elsewhere. You, Mr. Speaker, I think will be interested in what I am going to say, because of the fact that in 1910 you made a similar trip, and you will be able to follow my remarks and, I hope, will commend them. The tour was made under the auspices of the Empire Parliamentary Association, which has a branch in Canada. All the members of this House are not members of that association, but they should be; it is a splendid organization, and one that is worthy of the support of all parliamentarians in this country. This was the first united parliamentary delegation of its kind to an overseas dominion that had ever been attempted. The Empire Parliamentary Association was formed when many of the dominion statesmen were in London for the coronation. In 1913, a number of British members of parliament toured the whole of the dominions, and in 1916, representatives of the empire parliaments held a war-time conference in London, visited the munition-making areas and went over to France. Since the armistice an unofficial delegation has visited Canada. But the programme of this tour was the most ambitious of all inasmuch as members of all parliaments in the empire except Newfoundland were to spend two months together in South Africa studying the potentialities of the union on the spot and exchanging counsels as to the various problems affecting the empire. The delegation was headed by the Right Hon. J. H. Thomas, then Colonial Secretary, with Viscount Burnham as his deputy; and when the British delegates had to leave, when the delegates were at Victoria Falls, Sir George Foster was appointed chairman. I would like to pay a tribute to Sir George Foster. He was a credit to Canada on that tour. He was without doubt one of the most eloquent speakers on the whole delegation. He received a wonderful reception in South Africa, and considering the fact that he celebrated his seventy-seventh birthday in Zululand, it is truly remarkable that he was able to carry on so splendidly. I might mention that this was not a trade mission in any sense of the term. It was purely and simply a fraternal visit, if I might put it in that way. The Canadian delegates were chosen by a committee on which I think you, Sir, and the Speaker of the Senate acted. There was no politics about the matter. The whole tour was non-political, all parties being represented. The Canadian delegates were Sir George Foster, Senator Robert Watson of Manitoba, Senator Willoughby of Saskatchewan, Senator Gustave Boyer of Quebec, the junior member for Ottawa (Mr. Chevrier), the hon. member for L'Islet (Mr. Fafard) the hon. member for St. John City and Counties of St. John and Albert (Mr. MacLaren), and myself as representing New Westminster. I am sorry to have to report that when we were in the Transvaal, it was necessary for Senator Boyer, on account of ill-health, to return to Canada, and he was unable to complete the tour. All expenses were borne by the government of South Africa from whom the invitation was received. It originated with General Smuts. It is unnecessary for me, of course, to say anything about General Smuts' record, how he was one of the Boer generals who fought against us in the Boer war, how later on when peace was declared he became a thoroughly loyal British subject and how during the late Great war he took a very prominent part on the side of the allies. General Smuts is a very outstanding figure in South Africa. After the invitation had been received the elections were brought on in South Africa and a change of government took place. General Hertzog, the head of the Nationalist party, was returned to power. He was not considered an imperialist; in fact, during the election his party, according to their statements, stood for the secession of South Africa from the British Empire. It was expected therefore in view of these facts that the invitation might be withdrawn by General Hertzog, but on the contrary it was renewed.

We sailed from Quebec on July 25 on the Montroyal arriving at Liverpool the first of August. We were met by representatives of the Canadian Pacific Railway over there

and they were very kind to us. We arrived in London the same day. Of course, we visited the Houses of Parliament and we called at the office of the Empire Parliamentary Association which is in charge of Sir Howard d'Egville, K.B.E., secretary of the United Kingdom branch. There we received every courtesy and were furnished with cards of admission to the House of Commons and to the House of Lords, behind the rail. Everything was done to make our stay pleasant and we were accorded practically all the privileges of British members of parliament; in fact, we felt after having been there a short time that we were virtually members of the British House, so much at home did they make us feel. We were tendered a luncheon at the House of Commons at which we met the British delegates. The British delegates were twelve in number. There was the Right Hon. J. H. Thomas, Colonial Secretary, Labour. There was Mr. W. J. Baker, Labour for Bristol East. Captain W. Brass, M.P., was Conservative member for Lancashire, Clitheroe division, and among the British delegates was Viscount Burnham, who, as I have said, was Vice Chairman of the delegation. It is unnecessary for me to observe that Lord Burnham is one of the leading journalists of Great Britain, being proprietor of the Daily Telegraph of London. He has been president of the Empire Press Union since 1916. There was also on the British delegation Dr. W. A. Chapple, Liberal member for Dumfriesshire, who had previously been a member of the New Zealand House, and who is the author of a number of more or less technical works. Another member of the delegation was Captain D. H. Hacking, O.B.E., Conservative member for Lancashire, Chorley division. Then there was Sir Robert W. Hamilton, Liberal member for Orkney and Shetland, who had been for some years Chief Justice of the Court of Appeal in Eastern Africa. We had also the Right Hon. Sir Douglas Hogg, K.C., the Conservative member for Marylebone. He was Attorney General in Mr. Baldwin's first cabinet and now holds the same office in the present administration. Then there was Mr. Ramsay Muir, Liberal member for Rochdale, who is a well known university professor and a historian; he is also editor of the Saturday Westminster Gazette. On the delegation there was Mr. Harry Snell, Labour member for Woolwich East. Mr. Snell is a lecturer and is president of the British and American Ethical Society; he is quite well known. Lieutenant Colonel A. A. Somerville, Conservative member for Berkshire, Windsor division, who was also on the delegation, was for many years Master of Eton; and Mr. James C. Welsh, Labour member for Lanark, Coatbridge division, who was for a number of years a miner is the author of The Underworld and Songs of a Miner. The secretary of the British delegation was Sir Howard d'Egville. Sir Howard organized the visit of representatives of dominion parliaments to the coronation of King George V., 1911; visits of Lords and Commons delegation to Canada, Australia, New Zealand, and South Africa, 1913; and the war visit of representatives of dominion parliaments to United Kingdom, 1916. He is editor of the Journal of the Parliaments of the Empire and Reports on "Foreign Affairs", and author of many publications dealing with imperial affairs and the overseas dominions. Some of us visited Wembley and I must say a word of commendation with reference to the Canadian building there. I believe that Canada derives many benefits from having an exhibit in the Old Country, and I might give one instance. I was told by the manager of the Canadian building, Mr. Tolmie, who showed us around, that one Toronto firm, manufacturers of furniture, had sent over an exhibit unattended So much interest was taken in it that he cabled to the concern in Toronto and the manager of the firm went over to Wembley and as a result of his visit, after he had been there a very short time, the fixtures for thirty London shops were sold. I am glad that the government has decided to continue the Canadian building at Wembley for another year.

Through the kindness of Mr. F. C. Wade, K.C., Agent General for British Columbia, since deceased, the Canadian delegates were given seats in the royal box to witness the pageant of empire, and the night we were there we saw the pageant of Newfoundland and Canada, a splendid exhibition. I am not going to say much more about our stay in England, but before I pass on I should like to observe that so far as I could see England has got back to normal. There were no evidences whatever that would lead one to think that that country had ever gone through a great war. The people are wonderful and I came to the conclusion that the heart of the empire is sound. We sailed from Southampton on August 8 on the Union Castle liner Saxon. During the trip, which lasted seventeen days, conferences were held on board by the delegates; every morning at ten o'clock for an hour there was a meeting, Mr. Thomas in the chair, all delegates being present. Imperial problems were discussed and in particular empire settlement. I must say that the general opinion seemed to be that Canada presented the best

opportunities for emigrants from the Old Country and there were many evidences of a desire on the part of the Imperial authorities to co-operate with this country for the purpose of facilitating the entry into Canada of the proper type of immigrants. But Canada on its part must do something to take care of these people when they come. That was held to be imperative, and it was thought that possibly we had not been doing enough in that respect.

In this connection I might for a moment refer to Australia. In West Australia I heard something that appealed to me. There they have what is called an Ugly Men's Club. It was formed during the war, and its original purpose was to assist war widows and their families by building houses and letting them rent free. This club became a very powerful organization, with great resources and a large membership. Now that the war is over, this organization is taking hold of the immigrants as they come to West Australia, and is doing wonderful work in seeing that they are properly settled. I think we might well have an organization of that kind in this country to take care of the immigrants when they come here.

We made a short stop at Madeira. It was a very pleasant trip, and I found the Saxon, like the other British ships on which we travelled, did everything in the world to make the voyage pleasant. I did not look forward with any degree of pleasure to a seventeen days' trip on the sea, but I must say that I was sorry when the trip was over because it was indeed very pleasant all the way through.

We arrived at Cape Town on August 25. Cape Town is the seat of parliament, and they have another place, which is called the seat of government, at Pretoria, a thousand miles distant. The House was in session when we were at Cape Town. We were met by a large reception committee, including the Prime Minister, General Hertzog, and other representatives of the government, civic officials, and leading citizens. Our stay in Cape Town was very pleasant. We were tendered a luncheon by the Prime Minister in the parliament buildings. Later we had seats on the floor of the House. In that House the two languages, Dutch and English, are spoken, and the Dutch language is used there more frequently than French is used in this House. A speech is made in English and replied to in Dutch, a question is asked in Dutch and replied to in English; so it is very difficult to follow the proceedings. We were also entertained by the Governor General, the Earl of Athlone, at a dinner and reception. There we met a number of parliamentarians, including General Smuts. When I met General Smuts he asked me what part of Canada I came from, and when I told him British Columbia, he said, "You have an oriental problem there too, have you not?" "Yes", I said. "We have it in very acute form in this country," he said, "and we think they should be kept out. We agree with you that they should be kept out of Canada too." I found the same opinion expressed by all persons I met in South Africa. There are something like 165,000 orientals in the province of Natal alone.

We returned to the steamer and continued on our journey, reaching Port Elizabeth on the 27th of August, and East London on the 29th of August. At both these places addresses were presented, and we were accorded various courtesies. That trip along the coast is one that should not be taken by anyone who is subject to seasickness, because there is a very heavy swell all along the coast; in fact, it is so bad that at Port Elizabeth it is impossible for the ship to get into the dock and lighters have to be used. At East London it is impossible even to get on the lighters without the use of a huge basket which is swung out on the ship's crane. They told us that this operation was usually quite safe, but that sometimes the basket, with six or eight people in it, would drop into the sea, which I imagine would not be a very pleasant experience as those waters are infested with sharks. However, we negotiated the landing successfully.

There were more conferences on board ship, and I must say that it was a very splendid privilege for us to be able to converse at these conferences with the members from the Old Country on imperial problems. I might add that some regret was expressed that the Prime Minister of this country had refused to attend an imperial conference, and had also made some statements which were considered to be injudicious, to say the least. We were asked whether it was a fact that there was a tendency in Canada to break away from the empire, and we of course told them there was nothing in that whatever. At further conferences which were held on the trip between Cape Town and Durban, South African matters were discussed. We had with us certain South African representatives, and they discussed at length problems of their own in connection with the native races and with the orientals.

9 p.m.

We arrived at Durban on 30th August and were met by another large reception committee, and an address of welcome was

presented. In Durban we met the Australian and New Zealand delegates. The Australian delegates were eight in number; Senator the Hon. Thomas Givens, president of the Senate since 1913; Mr. J. G. Bayley, a Nationalist, representing Oxley, Queensland; Senator the Hon. J. F. Guthrie, representating Victoria. Senator Guthrie is also a very well known wool expert; he is the man who wrote the article on that topic in the Encyclopædia Britannica. Also the Hon. W. C. Hill, of the Country party, Minister of Works and Railways, representing Echuca, Victoria; Dr. W. R. N. Maloney, representing Labour in Victoria-Melbourne division; Senator the Hon. J. E. Ogden, Labour, representing Tasmania, ex-Treasurer and Minister of Mines and Labour, Tasmania; Major-General the Hon. Sir Granville Ryrie, K.C.M.G., a Nationalist, representing Warringah, New South Wales— who has a long and distinguished military record in the Boer war and the Great War— and Mr. W. A. Gale, C.M.G., Clerk of the House of Representatives, and Honorary Secretary of the Australian Branch of the Empire Parliamentary Association.

The New Zealand delegates were: Sir John P. Luke, C.M.G., of the Government party, representing Wellington North; the Hon. A. F. Hawke, representing Otago in the legislative council; Mr. James Horn, Liberal, representing Wakatipu in the House of Representatives; Mr. E. J. Howard, Labour, representing Christchurch South, in the House of Representatives. We were billeted in Durban with local residents. That was the case in quite a number of places in South Africa. The idea was not prompted by any sense of economy; it was rather to give us the opportunity of meeting the South Africans in their own homes —not only the men, but their wives and families—on more intimate terms than would otherwise be possible. It is a splendid idea, and if a similar delegation ever comes to this country I hope the same plan will be followed, because you can get more information in that way than in any other.

A civic banquet was tendered to the visiting delegates in the Royal hotel, and there was a meeting in the town hall. We were taken around and shown the city and suburbs. It is a wonderful city; it is simply marvellous what the comparatively few white residents in South Africa have done. Their town halls or city halls surpass by far anything we have in Canada. We were also shown the new Durban graving dock which is just about completed. The cost of this dock will be £1,300,000. A good deal of the labour has been done by convicts, and for that labour one shilling and threepence per man per day is charged up against the work. Now, a few days ago the hon. member for Southeast Grey (Miss Macphail) brought in a resolution dealing with the question of convict labour, and I have been given the credit of talking it out. As a matter of fact I wanted to discuss the subject but did not have the opportunity to do so because so many others got in ahead of me. The Durban dock was a remarkable example of the extent to which this kind of thing may be carried. In other places in South Africa —in the gold and diamond mines, for instance —convict labour is extensively used. I am opposed to that kind of thing. I am opposed also to bonusing convicts of certain types— dope peddlers for instance—who happen to be confined in our penal institutions. I would be prepared to support some measure of relief to families of convicts in necessitous cases where such a course would be considered proper, but I was not prepared to support my hon. friend's resolution as presented. It was not concrete in its character, it was not definite; we would not know what it would lead to. They do use convict labour extensively in South Africa, and I was very sorry to see it. Some of the members from other parts of the empire, too, seemed to be opposed to it.

The hospitality extended to us by our hosts was very cordial and very generous indeed; they did everything they possibly could to take care of us. My host gave up his whole time to me while I was in Durban, and did all in his power to make my stay there pleasant.

The next day we had lunch with the administrator of the province of Natal, Sir George Plowman, C.M.G., and there was another civic reception at night. We left Durban on September 2, on a special train, and that was really the beginning of our trip. The train was in charge of the secretary of the Empire Parliamentary Association, South Africa branch, Mr. E. M. O. Clough, C.M.G., who is also clerk of the Union Senate, and I must say that it was splendidly equipped; everything was provided for our convenience. They even had shower baths, a library, a writing room and a dark room for developing photographs. There was a post office on the train, and a supply of newspapers was brought to us at every point. The train also had a medical officer, a postmaster, an official photographer, a train despatcher and various other officials, all very competent.

The programme was a very extensive one and was carried out strictly according to schedule. Certain members of the South

African branch were assigned to us as hosts. These included Hon. E. G. Jansen, M.L.A., Speaker of the Union House of Assembly, Senator Reitz, who was President of the Orange Free State and was one of Kruger's righthand men in the Boer war; in fact, he was the man who wrote the ultimatum to Great Britain which preceded the war, a splendid man, thoroughly loyal now, and a very interesting person indeed. He recently celebrated his eightieth birthday. He represented the Nationalist party. Then there was his son, Colonel the Hon. Denijs Reitz, representing the South African party, and Senator P. Whiteside, representing the Labour party. At various points during the trip other parliamentarians joined the party. We had General Smuts with us for a while, and General Hertzog was also with us at various points. We travelled over 8,200 miles by rail in South Africa and over 3,000 miles by motor. Reception committees waited upon us at all points, and we attended something like one hundred official functions, most of which were of a formal character. We made a complete tour of the Union of South Africa and most of the native territories, including Zululand, Basutoland, Bechuanaland, Swaziland—the latter an imperial protectorate; also southern and northern Rhodesia. We also visited Lorenco Marques, Portuguese East Africa. It is a wonderful country—a land of sunshine and flowers, of beautiful scenery, and with a splendid climate. It has a great variety of vegetable, mineral and other products, including ostriches, sheep, angora goats, cattle, horses, tea, sugar, cotton, bananas, citrous fruits, pineapples, tobacco, maize, diamonds, gold, copper, tin, and so forth. In a great many places we visited tree plantations which have been put in by the government. They have gone in extensively for tree planting and highly beneficial results have been obtained. They have magnificent public buildings, municipal halls, art galleries, museums, parks, zoological gardens, and so on; also agricultural colleges and experimental farms. We found men in charge of some of these agricultural colleges who had taken their courses in Canada. "Darkest Africa" no longer exists. We used to hear of the fierce, warlike native tribes in South Africa but they have largely become civilized. We also used to hear about the wild animals in that country but wild animals are now confined to the game reserves. Generally speaking the white man has accomplished a great deal in South Africa, and when you consider the fact that there are only something like 1,500,000 whites in that dominion the results they have achieved are simply marvellous. Life in that country has many disadvantages as might be expected. For instance, there is a lack of moisture. Periods of very bad drought prevail in certain districts. At some places where we visited they had had no rain for over a year. However, a great deal is being done to overcome this disadvantage by constructing large irrigation dams, and in consequence a great change for the better has taken place in that country. In South Africa there are certain diseases of men and of cattle, for instance, malaria, blackwater fever, sleeping sickness, and so on. Malaria is very prevalent particularly in Rhodesia. All the time we were in southern and northern Rhodesia we were required by the doctor's orders to take ten grains of quinine a day. Then there is the tset'se fly and rind-erpest which cause diseases among horses and cattle. The tset'se also causes sleeping sickness. Someone has said the sleeping sickness is a combination of tuberculosis and leprosy; it certainly is a very terrible thing. Then there are insect pests, notably the white ant, which do a great deal of damage. The white ant attacks trees and the woodwork in houses; it literally eats the inside of a structure. A house will appear to be perfectly stable but some day will fall down because the inside of all its supports has been eaten away by these white ants. Then there are locusts; the locusts work terrible destruction in that country. There are also snakes of all kinds. At Port Elizabeth we saw a snake farm.

Some hon. MEMBERS: Hear, hear.

Mr. McQUARRIE: I was on the water wagon myself so I cannot be blamed for the snakes I saw. At this snake farm there were so many snakes that really I saw snakes for nights after that. There are snakes all over South Africa but the people pay no attention to them except to kill them when they cross their path. There is one snake called the Black Mamba which has earned the respect of all including the natives. If that snake bites a person he has no chance in the world to recover. They have serums of all kinds but there appears to be no real antidote for the Black Mamba. In going through the sugar and cotton plantations where snakes are very common, I for one was very careful where I stepped; I was really frightened. One South African said to me not to be frightened about them; that they would not attack us. I observed "What about the Black Mamba?" My informant said to me, "Never mind about the Black Mamba, he won't bite you either unless you happen to get between him and

his hole." The trouble was to know where the hole was located. In the rivers and streams of South Africa crocodiles abound. Generally speaking things may be very pleasant to all appearances but you have to be careful in that country.

Mr. FORKE: Have they got prohibition there?

Mr. McQUARRIE: Prohibition is not in force in South Africa; they say they do not require it. I may say that the use of tea has brought about quite a decrease in the consumption of alcohol and of intoxicating liquor generally. The tea habit has attained to wonderful proportions in South Africa. You are awakened at six o'clock in the morning to have tea, and at eleven a.m. everyone must have tea whether they want it or not. Tea is served in all the shops, the offices, the banks and other institutions; if it is not on hand there people go out and get it. Then they have afternoon tea, in fact tea on all occasions; it is a wonderful country for tea. But there is no prohibition of intoxicating liquor; the South Africans say it is not necessary and they aver that South Africa produces so many grapes that they never will have prohibition there. On the train on which we travelled there were liquid refreshments of all kinds,—whiskey, beer and wines, and, if you were fastidious, champagne. Everything was free including smokes of all kinds; it is a wonderful country.

On our trip we visited various places. I cannot specify them all but I might mention a few of them. First of all Tongaat, Umfolozi, Empangeni and Eshowe, in Zululand. Perhaps I might tell you something about Zululand if you are interested. They have certain peculiar customs which may appeal to hon. members. In Zululand they do not go in for much clothing. The families are quite large but it is unnecessary to buy clothing of any kind for children up to the age of about twelve years; they do not wear any because clothing is not needed. The climate is such that clothing is not a requisite; in any event the wearing of clothes is a habit. I saw a war dance of 2,000 Zulu warriors, dressed up in feathers and paint with their big shields and their assegais. It was most impressive to see those 2,000 Zulu warriors perform their war dance, and I can imagine they would be formidable opponents to encounter in actual conflict. This dance principally consisted of stamping with the feet. When those 2,000 Zulus stamped their feet in unison—and they are not small feet—the very ground where we were standing shook. There were also 200 Zulu ladies at this war dance; apparently they were there for decorative purposes. Their clothing consisted mainly of a string of beads.

Some hon. MEMBERS: Oh, oh.

Mr. McQUARRIE: They were perfectly modest about it; the standard of morality among the Zulus is very high indeed. As far as I could see those Zulu women were just as comfortable and as well satisfied with themselves as our ladies would be in a ball room.

Some hon. MEMBERS: Hear, hear.

Mr. McQUARRIE: There was nothing wrong about it. They were very fine looking women. Among the Zulus a man can have several wives but there is one disadvantage—he must buy his wives. If he sees a young lady whose charms appeal to him and he wishes to marry her he goes to her father and makes a deposit of a head of cattle and then becomes engaged to the young lady. He completes the transaction by paying from eight to ten head of cattle for his bride. But he has to work hard in order to get those cattle unless he has good credit. Of course they have their Duns and their Bradstreets over there, and if a man has a good rating he can get his wife first and pay for her afterwards. When a man gets three wives he does not have to do any work; he retires. We interviewed an old native there, and through an interpreter we asked him how long since he had done any work, and he said it was so long he could not remember. He did not do any work because he had three wives. I should explain to hon. members who may think of going over there that there is another disadvantage connected with this proposition, and that is that if you have three wives you must have three houses. They found over there that three women in the capacity of wives cannot live together. Their houses are not like ours. They are huts made of straw and mud and that kind of thing, but still at the same time they mean houses to them. As far as work is concerned, I might explain that even the white men are not supposed to work. As a general thing white men do not work in South Africa. It is no place for any white man to go if he wants to make a living by working, except as a skilled workman. There are too many blacks. The blacks outnumber the whites by eight or nine to one. They work for a very small wage, something like a shilling a day, and plenty of labourers are available. The South African literature states that it is inadvisable for any person to go to South Africa unless

he has at least two thousand pounds, which would be the equivalent of about ten thousand dollars. We also visited Pietermaritzburg, Cedera, Howick, and Ladysmith, where we saw some evidences of the seige. I personally had a conversation with an old gentleman who had been all through the seige. We also visited the battlefields of Colenso, Wagon Hill and Spion Kop. At Colenso we also visited the electric plant—a huge electric plant which has been put up by the South African Railways. It is not a water-power plant; they have to bring their coal for sixty miles, but they think it is going to pay them very handsomely. They will electrify their railways or part of their railways. It struck me that if it paid them to make power by coal brought that distance, it would be profitable in this country to electrify our railways where we can get water-power. Then we visited the Waschbank and Harrismith. At the latter place we saw a coal mine. We visited also Cocolan and Westminster. Westminster is an estate belonging to the Duke of Westminster. The Duke was in South Africa during the Boer war. He has spent a lot of money in that country in an endeavour to help British people to go there. He has a wonderful estate and sells land to settlers on long terms of payment. He is doing a great deal of good.

Then we went to Maseru in Basutoland. That is a different proposition from Zululand. It has an elevation something like 5,000 feet and sometimes gets quite cold. Therefore they have to wear clothes, and not only clothes but they wear blankets. At Maseru, we saw a wonderful sight, called a pitso, a gathering of the Basutos, something like 20,000 men on horseback and 25,000 women and old men not mounted. It was something like a pow-wow, as we understand it. The Governor General of South Africa was there. He is also the administrator of the native territories. The native chiefs of Basutoland were also present. There are about twenty-five or thirty of them. The Governor General and his party were on one platform, and facing them on another platform were the Basuto chiefs. They were dressed up in very unique costumes. Some of them wore long coats, top hats and spats. Others had uniforms. One man had a full colonel's uniform, and another man had a very fine uniform with brass buttons, and on his shoulders he had "Lift attendant". He was proud of his costume. We attended the pitso, and the speeches of the native chiefs were interpreted to us, or to the Governor, I suppose, but we heard them. The paramount chief made a speech there, which was something like this.

> We wish you to convey to His Majesty the King our expressions of loyalty. We wish you to tell him that we are perfectly satisfied with the administration which is being given to us by British officials, and we do not desire any change of status.

That same condition prevailed all through the native territories, and I take it that it is a remarkable commendation of the manner in which British officials govern those natives. They do govern them. They punish them when necessary, but they are fair and just. They display the ordinary British justice which appeals to the natives, and the natives are perfectly satisfied with that administration. We also attended a council of the chiefs of the Basutoland; that is, a parliament. They have their leader of the government and leader of the opposition and various ministers, and so forth. Parliament was opened by the Governor General in due form. The budget speech was made and proceedings took place in the ordinary way. They were very dignified about it. One old chief, the leader of the opposition, was quite a wonderful man in his way; that is, he weighed a good deal; he was something like 575 pounds in weight. He was so big that when somebody in South Africa ordered a suit for him from a Bond street tailor, the tailor wrote back saying there must be some mistake in the measurements because there could not be any man that large. Several letters passed between them before he was able to get the suit at all. The native chiefs are very dignified and very much interested in their work. Their indemnities are not very large, but they are provided with lodging and food and appear to have a very good time. The natives of South Africa are pretty well satisfied with themselves, as long as they are not educated. Then we went to Bloemfontein, and there we saw a war memorial which had been erected by the women of Canada as represented by the Daughters of the Empire. It is a noble column of Canadian granite, containing the names of places where engagements were fought by the men of the Dominion. It is supported by a rectangular base, carved with representations of the maple leaf, and contains the names of the men and their regiments. It was unveiled by the Governor General of South Africa, the Earl of Athlone, on the 17th September, 1924. The Prime Minister, General Hertzog, and many other public officials were present. I might say in this connection that there does not seem to be any feeling amongst the Boers in South Africa against Canadians. They do not seem to resent the fact that our

men went over there during the Boer war and fought against them, and they are very friendly to Canadians. We also went to Queenstown, Butterworth, Umtata, East London again, Kingwilliamstown, Alice, at the latter place we visited Lovedale Native College. This is a college where they have about 700 native men and 300 native women. They give them all kinds of technical courses and some of them also take arts' degrees. They are educating the natives. The natives go in for all the sports of the white people except golf. They play tennis, football, cricket and all those kinds of games. They have not got as far as golf yet, but I suppose in the near future they will take it up. There is a good deal of difference of opinion in South Africa as to the advisability of educating the natives. In fact, I was told by many that it was a great mistake and that the educated native was not as reliable as one who had received no education whatever. However that may be, of course I do not know. But the people who are conducting these colleges think sooner or later the natives will have to be educated and it is just as well to start educating them now.

We went to Grahamstown, then back again to Port Elizabeth and then to Oudtshoorn which is the centre of the ostrich industry. Ostriches are not as profitable to raise as they used to be and we were told that this was because the ladies found it impossible to wear ostrich feathers in their hats when driving in motor cars. At the same time they have many ostriches in South Africa. We went on to George and Knysna and at the latter place we visited an indigenous forest. We visited Graaff-Reinet, Cradock Middelburg, and Bulowayo. We also went to the Matoppos Hills and visited the grave of Cecil Rhodes, which is on the top of the mountain. The grave is of granite and there is a simple inscription "Here lie the remains of Cecil John Rhodes." The memory of Rhodes in South Africa is greatly revered, particularly by the British. Jameson's grave is also in the same place, close to Rhodes' grave. Then to Salisbury, which is the capital of southern Rhodesia. We were there entertained by the Governor General, Sir John Chancellor. We went on to the Zimbabwe Ruins, supposed to be the scene of King Solomon's mines, very ancient and interesting ruins. There has been a great deal of controversy as to when they were actually constructed, but it is supposed that the buildings were erected something like a thousand years ago. We went through the Sabie game reserve, which is about 200 miles across. The train stopped when any game appeared and we saw various species of South Africa wild animals. The engineer would toot one whistle when game was seen on the right hand side of the train and two whistles when game was seen on the left hand side of the train. When interesting animals were seen, the train would stop. On one occasion the train stopped and we saw a great black-maned lion about seventy-five yards from the train. It was very interesting to see the king of beasts in his native element.

We went on to Victoria Falls. I am not going to endeavour to describe them to the House, but they are broader and about twice as high as Niagara Falls. It is a wonderful sight. The Zambesi river above the falls with the coloration of the water, the tropical foliage, the sky effects and all that kind of thing is the most beautiful scene, I think, I ever saw in my life. At Victoria Falls, the British delegates left us. Word was received that the elections were about to take place and they started for the Old Country. We went on to Livingstone which is the capital of northern Rhodesia and we were there entertained by the Governor General, Sir Herbert Stanley, K.C.M.G. Then we went on to Mafeking and saw the alluvial deposits of diamonds. They are finding so many diamonds in South Africa now that they are afraid that, unless the output is further controlled, the price will not be maintained. Until recently the diamonds were got out of the mines owned by the big combines and they were able to control the output, but now they are finding diamonds also in the alluvial diggings which have been discovered all over South Africa and diamonds are becoming very common, so common, in fact, that since we left there, a bill has been introduced in the House for the purpose of controlling the output and sale of diamonds. The government is going to attempt to do that itself. The diamond output of South Africa has been over £222,000,000. The first diamond was discovered in South Africa in the year of Canadian confederation, and this £222,000,000 is the amount which the diamonds sold since that time have realized. We visited also the greatest diamond mine in the world, the Premier mine. At this mine we were entertained at a luncheon and the manager of the mine was asked to speak. Instead of making a speech he proposed this toast to the ladies: "The ladies, God bless them; if it were not for the ladies, the diamond would not be worth anything. May the ladies always desire diamonds and may they always find men ready to buy diamonds for them."

We visited Johannesburg and saw the gold mines there. South Africa has turned out something over £749,000,000 worth of gold. I notice in a despatch from Johannesburg, dated March 27, the following:

> After an absence of more than ten years the gold sovereign reappeared all along the reef to-day, and 400,000 of them were distributed to the miners in weekly wages.

So hon. members will see that this is a very big business. We went on to Pretoria where we saw the wonderful executive buildings of the government. Parliament sits in Cape Town, and after prorogation the ministers and their staffs go to Pretoria where they remain for the rest of the year, then Nelspruit. Then we went to Lorenco Marques in Portuguese East Africa, and after that we visited Messina and viewed the copper mine. Copper mining is a big industry in South Africa and we were much interested in our visit to this place. We then proceeded to Rustenburg, Potchefstroom and Kimberley. At Kimberley we saw some very large diamond mines; I saw more diamonds there than I had ever expected to see in my life. On one table alone there was £150,000 worth of diamonds but I was not able to get any for they watched us very closely; that no doubt was because they knew that we were politicians. Near Kimberley we visited the battlefield of Magersfontein. Then we went to Cape Town where we were entertained for four days, ending up with a farewell banquet in the parliament buildings. The chairman was the speaker of the House, who had accompanied us on the trip. We were told that from the standpoint of South Africa the visit had been very satisfactory, having had the effect of bringing the two races closer together, and it had also afforded an opportunity for the exchange of views between the South Africans and delegates from the Mother Country and the other dominions. In Maseru, Basutoland, there was a notable conference attended by the Governor General of South Africa, the Colonial Secretary and by all the delegates from the Mother Country and the other dominions, as well as the delegates of South Africa. At this meeting Mr. Thomas, on behalf of the United Kingdom branch, extended to the delegates from the dominions an invitation to visit the Old Country during the year 1925. Of course, the British government has changed since that time but I do not think the invitation will be withdrawn. There is therefore a chance for any hon. gentleman who desires to take a trip of that kind, if he is fortunate enough to be selected as one of the delegates, to go to England, not perhaps this year but no doubt some time later on. It is also contemplated that a tour should be made of Australia and New Zealand.

The trip was purely educational, and among the things I learned was the great future that lies ahead of South Africa. But there is a race problem and it is difficult to tell what will happen; the coloured races are increasing rapidly and the whites are barely holding their own. It is necessary to encourage white immigration to South Africa but unfortunately no white man can make a living there unless he has capital to start with. Then there is the oriental problem. I come back from South Africa stronger than ever in my views on the oriental question, and I might say that those of the delegates with whom I discussed the matter were at one with me. One very prominent man to whom I spoke declared that he was right with us; he said that Canada was essentially a white man's country and should be kept as such. So that I am more strongly convinced than ever that the proper policy for this country is to keep orientals out.

I came to the conclusion that South Africa would not secede from the British Empire. They talked that way during the last election but I gathered that this was for election purposes. I do not think that General Hertzog is any more in favour of South Africa seceding from the empire than I am in favour of Canada doing the same thing. In corroboration of this I want to quote from the report of an address delivered by Mr. Thomas at Kimberley:

> "I go back absolutely convinced that whatever may have been said in the days of political warfare, whatever apprehensions may have been felt as to what is called separation from the Union Jack it is only a foolish, insignificant minority of the people who hold the view seriously in South Africa," Mr. Thomas declared, amid applause, adding: "I am convinced from all I have seen that the Dutch and the British both love South Africa, and both are convinced that they must work together for its ultimate salvation." (Applause).
>
> "The second point is that there are great possibilities for South Africa. I would like to see more white population, but I am not going back to the Old Country to say that South Africa is a place for all unemployed to come to. You don't want to flood the towns of South Africa with unemployed labor. If people are to come here, we want people with sufficient capital that they can stand for a few years until they get on their feet. That is my impression of the immigration question."

The prospects are bright for increased trade between Canada and South Africa, and there is indeed considerable business done by Canada with that country at the present time. But it all seems to be one way; Canada sells to South Africa. In answer to certain questions which I asked in the House

a few days ago, I received replies which indicate that Canada subsidizes a steamship line from Atlantic ports to South Africa, but the trade is only one way; it is an outward service from Canada. The information goes to show also that this business is improving. Cargoes from Canada of Canadian origin to South Africa were valued in 1921 at $4,082,959; in 1922, $4,108,142; in 1923, $5,305,222; and in 1924, $6,511,160. It appears therefore that the trade is increasing; and this all comes from Atlantic ports. Nothing is going from the Pacific at all, apparently, and there is an excellent opportunity of encouraging trade from western Canada to South Africa. I believe that western Canada is being discriminated against to-day and there should be some kind of subsidized line from Pacific ports. There is going to be a big business over there in lumber, for one thing, and the people there want our box shooks. I visited many plantations and I found that there was a great demand for box shooks. I found also that these shooks were being obtained from Norway and Sweden. That is a big business, and will increase enormously in the future. I found that no quotations had been received from Canada by the growers, and that Canadian box shooks were not thought of at all by the South African growers. I was, however, told that all things being equal, the quality and the price being right, South Africans would prefer to buy Canadian box shooks instead of those from Norway and Sweden. As I say, there is a big business to be done there, and I think this government should investigate the possibilities.

The business in motor cars at the present time is quite large. We saw Canadian motor cars of various makes, and there is a chance of increasing that trade. South Africa is a country where a great many motor cars are used. You can go any place with a motor car. Distances do not count at all in that country, and the roads are fairly good. Every farmer has a motor car, or would like to have one, and the motor car is in general use for transportation purposes. The business is there. We are doing a big business now, but that business can be increased. In 1922 South Africa imported 4,840 motor cars valued at £926,512. The number of American cars imported was 1,944, British 139, and Canadian 2,625. The British manufacturer fails to make the kind of car that is required by the South Africans.

In many places we also saw farm implements which had been manufactured in Canada. There is an excellent opportunity for business there. That trade can be increased, but we must remember that trade should be both ways. We are receiving a preference at the present time from South Africa, and that is the reason why we are getting this business. But is South Africa going to continue that preference if Canada does not buy something from South Africa? South Africa can sell to Canada just as we can sell to her. We are buying from foreign countries, countries not in the empire at all, goods which are produced and grown in South Africa now. Why not buy from South Africa? I would strongly urge upon the government that we do something to retain the friendship of South Africa, because South Africa is a good customer of ours, and the South African people are very friendly towards Canadians.

Three of us, the member for St. John and Albert (Mr. MacLaren), Senator Willoughby and I, decided to return by way of Australia and New Zealand. We sailed from Cape Town with the Australian and New Zealand delegates on October 29, on the Euripides, of the Aberdeen Line, and arrived at Albany on the 13th of November, but could not disembark on account of quarantine regulations, and we missed train connections. It had been our intention to take a trip across the continent by rail, and arrangements had been made by the railway department of the government for our accommodation, but another department of the government would not allow us to get off the ship, and so we continued our journey on the ship across the great Australian Bight, and reached Melbourne on the 17th of November. We were met there by the secretary of the Australian branch of the Empire Parliamentary Association, who placed motor cars at our disposal, and we were entertained royally. We had luncheon at the parliament buildings at Melbourne, and various other forms of entertainment were provided. We also called on the Governor General, and we met many parliamentarians of South Australia at Melbourne, where the parliament buildings are situated at the present time, although a new capital is being built. We left for Sydney on the following day by the Sydney express. On the train we found waiting for us sample boxes of various kinds of Australian dried fruits, raisins and all that kind of thing, and I must say they compare very favourably with any dried fruits which I have ever seen.

At Sydney we were met by the secretary of the Prime Minister, and were shown the city, and a wonderful city it is. Melbourne has a population of 900,000, and
10 p.m. Sydney is a city with something over one million people. The Prime Minister of New South Wales, Sir

George Fuller, was very kind to us. When we thanked him for his kindness he said he was only trying to repay some of the hospitality that had been shown to him when he was in Canada a few years ago. We were invited to stay in Australia for some time as the guests of the Australian government. Australia is very prosperous. They have had a record crop of wool, and are receiving a record price. They also had a record crop of wheat, and prices, of course, are very good. We saw no orientals in Australia. We had a demonstration there that a country can get along very well indeed without orientals of any kind. My visit to Australia convinced me that there is no danger at all commercially for Canada if orientals are excluded, so far as the carrying on of the industrial work of the nation is concerned.

Great interest was manifested in Australia in the trade agreement between that country and Canada. It seems there is a good deal of propaganda against it in that country. They are telling the people there that Canada prefers to do business with the United States rather than with Australia, and that propaganda is having some effect. We did what we could to offset that propaganda, but I am afraid they will commence to think there is something in it because of the action of this government in delaying ratification of the treaty. I cannot understand why this government is acting in such an uncalled-for manner. The agreement apparently was entered into, but we have not been able to get the particulars of it in the House. The minister has not given us the details; he has declined or has failed to lay a copy of the agreement on the table. But I find in the Commercial Intelligence Journal, issued by his own department, under date of October 11 last, a statement to the effect that a trade agreement has been arrived at between Canada and Australia. We were told when the minister returned from Australia that he had made an agreement which would be of great assistance to Canada and which would promote trade between Canada and Australia. Well, what has happened to it in the meantime? The Australians are commencing to wonder what has happened to it, and so are the people of this country. I have in my hand telegrams from certain concerns in British Columbia; I will read one or two of them. Here is one dated March 25:

> We urge you use your influence without delay towards ratification by parliament of Australian trade agreement without change, not only because of its benefit to paper industry but to Canadian industries generally. Considering the large number of Canadians employed in paper industry, surely this industry is of more importance to Canada than California fruit industry.
>
> POWELL RIVER COMPANY LIMITED.

Then there is another one dated March 24:

> We urge you to give immediate attention to the Australian trade agreement and its ratification without change by the Canadian parliament, both as a measure of benefit to Canada and of particular value to the paper industry.
>
> PACIFIC MILLS LIMITED.

Why does the government not bring down this treaty for ratification? I am not prepared to say, but it has been rumoured that the California fruit interests have something to do with it; that they are opposed to this trade agreement. Surely, as stated in the first telegram I read, the interests of the paper industry and of other industries of Canada are of more importance than those of the California fruit industry. Why should we not get from Australia or South Africa or any other part of the British Empire all the fruit we can? Why should we not decrease as much as possible our purchases from the United States? There is every reason why that should be done.

Apparently this treaty has been objected to; it is said there is some objection from the Progressives. I do not know whether or not that is the case, but I cannot understand why they should object to the treaty unless they are opposed to the necessary increases of the tariff against the United States in that connection. I shall not take the time to go into the details of this agreement which is referred to in the Commercial Intelligence Journal, but I do say that a great deal of harm will be done as regards our relations with Australia if this agreement is not brought down promptly and dealt with in a proper way.

I think also that Canada should have more trade agents in Australia as well as in South Africa. There is a trade agent at Melbourne, but I do not think there is any at Sydney, and Sydney is the most important city in Australia.

We sailed from Sydney on November 20 on the Makura, of the Canadian-Australian line, and arrived at Auckland, New Zealand, on November 24. We were there met by civic officials and representatives of the government. We were well entertained in Auckland and enjoyed our stay there very much. The Minister of Justice and Education, then Hon., now Sir John Parr, was very kind indeed to us and invited us to stay a month in New Zealand as the guests of the government. We there met Mr. Croft, the Canadian trade commissioner, who is doing good work. New

Zealand is a very prosperous country. No orientals allowed in there. New Zealand can get along without them; why cannot Canada?

We continued our journey to Suva; and I may say that on this ship, as on others wireless publications are issued every day. Some news from Canada, sent out from the Victoria Times, was received, but there was practically no Canadian news. The only items I can remember during that whole trip were two—one regarding a snowstorm in Montreal, and another with regard to the accidental drowning of a man in one of the lakes in Ontario. This was on a ship subsidized by the Canadian government, and I wondered why we did not have Canadian news. I spoke to the captain, and he told me it was a matter for the Marconi company. I spoke to the wireless operator, and he told me the reason they did not give out Canadian news of any consequence was because it was not sent to them: that they would be glad to publish Canadian news if it was given to them. He told me also that Premier Massey on his last trip from Vancouver to New Zealand had found the same condition with regard to New Zealand news, and that on his return he had made arrangements for the New Zealand station to send out wireless news free, and now a good deal of New Zealand news is given out on the ships. The same should be done with regard to Canada. We are establishing a big wireless station at the coast, and that station should send out Canadian news of interest—attractive news, because there is a possibility of attracting people to Canada on a journey of that kind who otherwise would be diverted at Honolulu and go to San Francisco. There is a great opportunity to encourage and increase tourist trade between Australia, New Zealand and Canada. Something over 250,000 people go from those countries every year to the Old Country, so that you can see what could be done. If we could induce a small percentage of these to come by way of Canada, think what benefit it would be to us.

We arrived at Suva on November 28 and spent the day there. We were met by the Colonial Treasurer, Hon. H. H. Rushton, and were shown the sights. We were also entertained at luncheon by the Acting Governor of Fiji, Hon. T. E. Fell, who is also Colonial Secretary of Fiji. Fiji is going ahead and the people there are anxious to do more business with Canada. There is great opportunity for a larger trade between Canada and Fiji, and I think something should be done to encourage that desirable aim. We sailed for Honolulu and arrived there December 5. In Honolulu I saw the other side of the oriental question. I found so many Japanese in Honolulu, just outside of Honolulu particularly, that one would almost imagine he was in Japan. Honolulu and the Hawaiian islands are overrun by Japanese. The experience in Honolulu and the Hawaiian islands demonstrates what may happen in the case of Canada some day unless effective measures are taken to keep these people out. We were entertained at Honolulu by Mr. Waldron, head of a large shipping firm, and had a delightful day there. We arrived at Vancouver on December 12. We had completed a trip round the world, and had only touched at two points that were not British territory. We had not seen, of course, the whole of the British Empire; but the journey made me realize the magnitude, the strength, the solidarity, the extent, of the British Empire, and I returned from the trip prouder than ever of the fact that I am a British subject.

I should like to call the attention of hon. members to the Empire Parliamentary Association, to which I think we should all belong. I think it is only right and proper that we should join up with an association of this kind which is doing such an important work, and which tends so greatly to cement the bonds that unite us to the Mother Country and to the other sister nations composing the great British Empire.

Now, Mr. Speaker, I am afraid I have taken up a great deal of time in describing this trip. However, I offer no apologies for the time so occupied because I think it only fitting that appreciation should be expressed for the spirit that prompted the South African government to invite us to that Dominion and also of the many courtesies and the considerate treatment we received when we were in that country, as well as in Australia and New Zealand.

In regard to the matters which have been discussed during this debate I should like to refer particularly to the remarks of the Minister of Public Works (Mr. King, Kootenay). He, like the Minister of Labour (Mr. Murdock), tried to make conditions in British Columbia appear to be rosy. He dealt with that province in the same manner as the Minister of Labour did with the whole of Canada. The Minister of Public Works told us that things were very prosperous, that conditions were good in British Columbia; and he referred particularly to the timber industry, to the fisheries, to the mines, and pointed to the vast amount of business which is being done in these different lines. That is all right. I quite agree with the Minister of Public Works that things in British Columbia are.

in some respects, getting better. But what has the government got to do with it? The improvement in question has taken place not because of anything that the government has done but in spite of the government. British Columbia has resources and those resources are being developed; that is all there is to it. Those resources are bound to be developed and that development can only be retarded by a government to a certain extent. Now, the minister says, "We are responsible for those conditions."—At least I suppose he would say that. The Minister of Labour tried to contend that the government was responsible for the rosy conditions which he outlined, and I suppose the Minister of Public Works would do the same thing. I should like, however, to discuss for a moment the conditions in the timber industry. What has the government to do with the prosperity in that industry? Nothing whatever. Prosperity in the timber industry is due entirely to the export trade and not to the domestic trade at all. The government is certainly not entitled to any credit for the export trade; absolutely none. It may be responsible for an improvement in the domestic trade, but at present there is no domestic trade of any consequence. The government might claim credit for many things but I do not suppose it will claim credit for the construction of the Panama canal. Neither do I suppose the government will claim credit for the big stand of timber that we have in British Columbia, nor would it admit responsibility for the Japanese earthquake. All these things are elements, together with other things, which have created a demand for our lumber. It is our export trade, which consists largely of lumber, which has brought about the improvement in question and the government is not entitled to any credit for it. Is the government entitled to any credit in connection with the fisheries? I suppose the Minister of Public Works would say that the government should take credit for the unusally large run of salmon that we had in the northern Pacific waters last year. That is what has swollen the figures in the fisheries column, that is why the growth in connection with the fisheries was so marked last year; but the government had nothing whatever to do with it. Then we have our mines in British Columbia. What has the government done for the mines? The fact is that the mines are being developed. Mining is reviving again not only in Canada but in other countries, but our mines are being developed without any assistance from the government. In other countries they are doing things to assist in mining development. For example in South Africa the government is granting aid for the prospecting of minerals, it is subsidizing prospectors; but the Canadian government is not doing anything. The government is not assisting the mining industry; it is not even building a smelter on the Pacific coast which is so badly required; in fact the government is not doing anything at all to assist the mining industry. I say that any prosperity that may have come to the mining industry is not due to anything this government has done. In other lines the conditions in British Columbia are bad. In that connection, before I go any further, I would say there is one thing the government might have done to assist our industries in British Columbia, and that is remove the discrimination which exists in regard to our freight rates. What has the government done in connection with that issue? Nothing but side-track it, and as far as I can see it is not going to do anything else. There are thousands of our farmers engaged in the poultry industry. What is the government doing for them? Doing nothing. People are complaining about it. I have letters and telegrams from various organizations out west. Meetings are being held. Just recently a meeting was held at which representatives of some 15,000 poultry producers were present. What were they meeting for? Because the poultry industry is being ruined and is threatened with disaster because of the tariff which is maintained by this government, and because of the inaction of this government in the matter of remedying these conditions. What are the conditions and what are the facts? We find that the duty on eggs going into the United States is eight cents; on eggs coming into Canada the duty is three cents. Is there any fairness or equity in that? How can we expect our poultry raisers in this country to compete with the producers on the other side of the line, when the Americans can come into our markets with their surplus, paying three cents per dozen, and when we want to go into their market with our surplus we must pay eight cents? I say the tariff should be equalized and there is no reason in the world why it should not be done. The government is allowing American eggs and Chinese eggs to flood our markets.

Speaking of the tariff this same inequality exists in other lines. We have an unequal tariff on wheat, hay, fruit, potatoes, butter, cheese, eggs, cattle, woollens, silk fabrics, silks and many other things. The tariff is very much in favour of the United States in all cases, the United States duty being much

higher than the Canadian duty. When we compare the two countries and compare the progress made in the United States with the progress made in Canada, we look for reasons, and I say the reason is that we have not a proper tariff in this country. I might discuss many things in this line, but I am not going to do it. I could refer to other industries which are being handicapped because of the present tariff, which are crying out for some redress, but which are receiving absolutely no consideration from this government. The tariff has to be revised, but I do not believe this government is capable under present conditions of revising it satisfactorily, particularly in view of the fact that they are dependent upon the support of the Progressives to keep in power. We have been told time after time by the Prime Minister that his hands are tied, not only in regard to the tariff but as regards other matters, because he has such a small majority. I say that the Prime Minister should not have attempted to carry on a government without a proper majority. After the last election, when he found that he did not have a working majority he should have gone to the country immediately and either obtained a satisfactory majority or allowed some other party to obtain a majority. This feature of being dependent on another party for support is certainly not in the interests of any country, and it is most unfortunate, particularly in the case of Canada, under present conditions. I hope there will be an election soon. Out there in British Columbia the supporters of the government are in despair. They are finding great difficulty in obtaining candidates in the various constituencies for the Liberal party. They are so hard up that they are fighting to get the Minister of Public Works (Mr. King, Kootenay) to run as their candidate in different constituencies. They think that the Minister of Public Works, besides being a wonderful statesman and all that kind of thing, is the Minister of Public Works, and if they can get him to run they think they can elect their candidate perhaps, because the people may think they are going to get something in the way of public works. Otherwise they have no hope. The hon. minister shakes his head. It has got so bad out west that the Liberal organizer for British Columbia had to come down to Ottawa, and shortly afterwards we saw it announced in the press that the Minister of Public Works had decided to run in Vancouver Centre—mark you in Vancouver Centre and not in his own constituency. I think his own constituency is one place where they apparently do not want him. I do not know why, but evidently they do not seem to want him. The minister has finally decided to run in Vancouver Centre. All I can say to him is that if he decides to commit political suicide, there is the place for him to run. Notwithstanding his portfolio and all that kind of thing, when the votes are counted after the election I am afraid he will find he is away down in the list. Another feature is that the people of British Columbia do not think this government is going to come back. They think the people of Canada are sick and tired of a government so inactive, so helpless and useless as this government has proved itself to be—a government which has not been able to carry out any of its pledges, which has not been able to do anything, which is dependent entirely upon the say-so of another group in the House. When they go to the country—and I hope they will do it soon—the good old Conservative party will come back to power. In England they are talking of holding the next Imperial conference in Canada. They want to do something, I suppose, to bring Canada into line; but in any event they are friendly to Canada, they want to help us, they want to co-operate with us, to confer with us and all that kind of thing, and therefore the next Imperial conference may be held in Canada in 1927. May we hope that when that event happens there will be a Conservative government in power so that something may be accomplished.

Mr. JULES EDOUARD PRÉVOST (Terrebonne) (Translation): Mr. Speaker, nowhere, have I better understood than here this very old maxim: silence is golden. That is true in more than one respect, but this truth is especially exact in the strict meaning of the words since, according to the dictum which is dear to Americans, a practical nation; Time is money. I, therefore, intend to be brief in the few remarks which I propose to make with reference to the budget submitted to us.

All who inhabit this country acknowledge the fact that we are faced with serious problems which complicate our national existence. If these problems are self evidenced to all citizens, even though they may not fully understand our economic situation, even though they may be ignorant of the intricate ways of our finances, the more evident must they be to the well informed observer.

These problems are of two orders: first economic, secondly national.

I shall not linger over theories on political economy. I shall go straight to the point and admit that the financial situation of Canada is critical.

I do not wish to be placed among the pessimists for I still have faith in our future.

I recall that the United States, after the war of secession, found their debt which was only $64,000,000, in 1860, increased to $2,773,000,000, in 1866. Nevertheless, in twenty years, the United States paid off half of this debt. Canada, with its natural resources, its laborious and healthy population, its ever increasing industries and trade will face with as much fortitude as the United States did, the task which has fallen to her lot. It is nevertheless a fact that, at present, our debt is very burdensome. It has increased by $2,000,000,000 within the last ten years; our yearly interest has jumped from $14,000,000 to $140,000,000. It is stupendous for a country which has only 9,000,000 of a population. Therefore, it is not astonishing that the country's great financier is unable to announce some relief in our liabilities and another decrease in the taxation necessary to balance the budget.

What astonishes the country, is to hear the Tories make a crime of this state of affairs for which they are responsible. The leader of the opposition of whom it is justly said that he was a good debater but a poor loser, tried to disavow this charge and efface such an impression by visiting the province of Quebec, proclaiming everywhere that he bore no ill-feeling and could not stoop to reprisals. Nevertheless, the speeches which he delivers in the House are pregnant with them and nothing is forgotten in these bitter criticisms, these most unfair attacks not even the most perfidious innuendoes. Like the prophet whose heart-rending laments were chanted in our temples last week, the Tory ex-Prime Minister, driven from power and seated in the cold shades of the opposition, whines, sighs and moans to break one's heart. "Stranger compare your anguish to mine, for the people have been ungrateful to me and my party. Will you not have compassion on us, we that are so honest, so good, so thrifty, we, whose thoughts are filled with the welfare of Canadians! Cast your eyes around to see if you can find a worse government than the Liberal one!"

As a sequel to these laments, the leader of the opposition and his friends become denunciators, they call the members of the government to the bar, they demand an accounting: "What have you done with the finances of the state?" The ex-Minister of Finance usually so full of smiles, frowns, raises his voice and tells us, with a tragic countenance: "Under your government the debt is enormous and taxation overwhelming."

Taxation, Mr. Speaker, must not be reproached to those who levy them, but to those who made them necessary. Are the responsibilities of the pre-war, during war and post-war Tory government already so far in the past and so soon forgotten?

The business depression in Canada, did not begin with the war, it already was taking place long before that date. What happened, following the fifteen years of great prosperity which Canada experienced under the Laurier government? From 1911 to 1913, when the Borden government was at the helm of the affairs of this country, we were in the throes of a general crisis.

The Conservatives had fought the treaty of reciprocity with the United States in 1911, by having recourse to certain popular prejudices and by crying out that the Liberals wished to annex Canada to the United States. This battle-cry was then: "No truck nor trade with the Yankees." Now, in 1911, under the Laurier administration, our purchases from the United States amounted to $284,934,739, and our sales to them amounted to $104,115,823. In 1913, after two years of government by the good Tories who had such a fear of the United States our purchases amounted to $441,142,593, and our sales only amounted to $139,000,000!

For the first time since 1897 we heard of unemployment in Canada. Firms that had been prosperous up to 1911, now reduced the number of their employees and their working hours; others closed their doors. In Montreal, Toronto, Winnipeg, Regina, Calgary, Edmonton and Vancouver the unemployed numbered not less than 100,000.

The Conservative government of 1912 and 1913 ended in a crisis which attained its climax in 1914 previous to the war. This low ebb in business was felt everywhere, in the revenue of the state as well as in the returns of private enterprises. Although the balance of trade was adverse to us, we saw our customs return decrease by one million dollars per month during the six months which preceded the declaration of war. The railway returns showed a decrease of $13,000,000 in 1914. The demand for homesteads was continuously falling.

Yet, the government spent extravagantly. The Liberals, in the course of their fifteen years administration had increased the controllable expenditure by $43,000,000. The increase of the same expenditure in the course of the three first years of the Borden government, notwithstanding the decrease in the revenues, amounted exactly to $80,483,595. During a period of fifteen years, the Liberals gave $25,000,000 to the railways; in three years time, the Borden government granted them $29,163,250. The Public Works depart-

ment's estimates which amounted to $8,000,000 in 1891, came to $19,000,000 in 1914, and so forth. I shall go no further, for what I have just stated is sufficient to show or rather to remind us that the war expenditures were not the only cause nor the beginning of our deplorable financial situation. The Borden government in 1912 and 1913, witnessed a serious crisis, following a series of fifteen years of prosperity.

The Conservative government of that date admitted this crisis themselves, since in the Speech from the Throne, at the opening of the session, in January, 1914, they made the Governor General say:

> Canada has been favoured by a long series of properous years. (This was a compliment to the preceding Laurier government, which had been at the helm of the country's affairs during a number of years.)
>
> At the present moment business is slightly restricted by the financial stringency.

As a consequence of this crisis, the farming class complained then, and not without cause, of the dearness of farm labour and the lack of markets for agricultural products.

Everybody was complaining at that time of the high cost of living which had increased 50 per cent in Canada. And still the government made no move to meet such a crisis. That is why Sir Wilfrid Laurier, then leader of the Liberal opposition, moved to have the following words added to the Speech from the Throne of January, 1914:

> We regret to have to represent to your Royal Highness that in the gracious speech with which you have met Parliament, whilst it is admitted that business is in a depressed condition, yet there is no indication of any intention on the part of your advisers to take any steps towards relieving such a situation.

Such was the unfit and wasteful government which had the administration of public affairs during the war.

At that critical period, the Tory government's financial policy might have been summed up in the following words: "a continuous resort to loans"—a dangerous policy, because it incited to an everlasting wastefulness—a very short-sighted policy, because the continuous recurring loans have largely contributed to place us in the critical situation in which we are struggling, and are closely linked—even in peace time—with the constant increase of the cost of living. Furthermore, the Tory government had to resort to taxation, in addition to the loans, that makes up the whole of their financial scheme; it is simple and ruinous.

Let me, Sir, dwell a few moments on the war expenditure.

The Liberals are sometimes told: You are as guilty as the Tories and you equally share with them the responsibility of our financial mess since, in the House, you approved of all the war expenditure without a protest.

Such are not the facts. Certainly, the Liberals were not opposed to Canada taking part in the war. Our country could not remain neutral in the great struggle without losing its self-respect; the Liberals only performed their duty when voting the money necessary under the circumstances. However, they always stipulated that our participation in the war should be voluntary and reasonable. Among these war expenditures, some are legitimate and reasonable of which the Liberals, without fear, shoulder their share of responsibility. But they ceaselessly protested against the wastefulness of the Tory government. Look up Hansard for 1915, 1916, 1917 and 1918, and you will find therein the protests and criticisms of the Liberal opposition in regard to the scandalous war contracts, such as the contracts for remounts, boots, uniforms, equipment, drugs, shells, rifles, etc.; contracts that enriched the partisans of the Tory government from the sacred funds voted for the war. Two Conservative members were even forced to resign following the Liberal charges. The latter never ceased denouncing the reckless way the Tory government threw us into the war heedless of all bounds of sense of proportion, without any consideration for our interests or our needs.

Sir Wilfrid Laurier consistent with himself and true to his policy of wise and reasonable participation in the world war, stated in the House, July 24, 1917:

> But the question is how many men we can take from the life of the nation at the present time without imperilling the public services which are essential to this country, and essential to carry on our share of the war. This is a subject which, in my humble opinion has not been sufficiently considered by the government. They went into this war without taking any previous calculation whatever, without taking any census of our resources in men and in other respects.

A few days later, in a letter which Sir Wilfrid Laurier wrote, August 21, 1917, to Mr. Frank Wise, Secretary to the League "Win the War" at Toronto the Canadian statesman expressed himself as follows:

> In the new Parliament I hold that it must be the duty of the majority leader, whoever he may be: to confer immediately with Great Britain and her Allies, with a view to ascertaining how, and to what extent, the participation can be utilized to the greatest advantage in the prosecution of the war, regard being had, on the one hand, to the necessities of the Allies for men, and, on the other hand, to our population, resources, industries, geographical and other considerations.

We notice that Sir Wilfrid Laurier, although favourable to our voluntary participation in the war, did not lose sight of Canada's interests. His idea was to gauge our efforts in proportion to our resources rather than engage ourselves thoughtlessly in the war and to give up our last man and last dollar, as the Tories wished, first including the leader of the opposition (Mr. Meighen). The Liberals were opposed to conscription and to senseless recruiting. I, myself, at that time, wrote a number of newspaper articles, criticizing the government in this connection. I stated that useless recruiting was being carried on, which was unnecessary for the needs of our expeditionary army; that this excess in recruiting and the poor equipment of our troops would cost enormous sums to the country, without bringing any advantage to the Allies. The Liberal's contentions are, to-day, fully justified. On September 11th, 1924, at the Windsor hotel, in Montreal, at a dinner given by the Citizen Research Institute of Canada, Sir Arthur Currie, at present Principal of McGill University, and ex-Commander in Chief of the Canadian Army during the Great war, stated:

1. That during the said war, the Canadian government enrolled and sent overseas at least 100,000 men who were of no help to the army; that the total cost of this useless expenditure amounted to at least $150,000,000, exclusive of the yearly disbursements which these men still cost and will in the future cost us in pensions and hospital expenses and that the opinion of medical experts has in many of these cases been ignored.

2. That in the opinion of experts the Ross rifle was worthless and that notwithstanding said advice, successive contingents were armed with said rifle.

3. That, in the opinion of experts, part of our equipment was worthless, nevertheless contingent after contingent were sent overseas with said equipment.

4. That, in the opinion of experts, the Oliver equipment was not what was required, nevertheless contingent after contingent were sent overseas with said Oliver equipment.

Mr. Speaker, let us not forget these things when we closely look over the country's sad financial plight and when we are trying to find out the parties responsible for the taxes which burden the Canadian people.

Yet, we are told, you approved of all the funds asked by the government for the prosecution of the war. No doubt, we could not do otherwise then, without endangering the success of our participation in the war. It was impossible at the time to separate the tares from the wheat. We had a two-fold duty to perform: that of condemning the waste that we could discover, we did so; and that of voting the appropriations required for the Canadian army; this we also did, from a patriotic standpoint. It is almost a crime, in war time, to cut off the government's supplies.

Mr. Henri Bourassa, although strongly opposed to our exaggerated participation in the war, himself wrote:

It is not the time for controversies, bitter recriminations, settling of petty quarrels, still less for party intrigues..... One may disapprove, on the whole or in part of the government's actions, deny the opportunity, the way or the reasons for its intervention in the European conflict, lay aside for the future all the principles involved, but we have no right, at present, to launch out into a bitter debate on this measure.

The hour to judge and condemn came later. The people in irons, in 1917, spoke freely in 1921.

One of the worst transactions carried out by the Tories and which the Liberals fought strongly against, was the purchase of the railways, which threw on the shoulders of the Canadian people the heaviest part of the burden that overwhelms them. Our opponents tell us that there was no other solution to the problem than to buy the Canadian Northern and the Grand Trunk which were bankrupt. Nonsense! The great majority of business men, without distinction of party, have condemned this purchase for which Canada paid many million dollars for shares which had not cost a cent to the holders, a transaction which has made the country responsible for a debt of many hundred million dollars and which has hurt our finances more than all the legitimate expenditures of the war. Has one forgotten the protests of the Chambres de Commerce and the Boards of Trade, especially those of Montreal, protests signed by prominent Conservatives, such as the Ekers, the Chaputs? And the merchant marine, established by the Tory government by lavishing millions, are they not also for the greater part, responsible for the financial mess in which we find ourselves? The Conservatives who are in the habit of trying to make us share the responsibility of their failures, tell us that we approved of this merchant marine scheme. Even if that be true, they alone, would not be less responsible for this act of poor administration since they were then in power.

However, such is not the case, and it is untrue to say that the Liberals approved of the establishment of a large merchant marine. They agreed to the construction of a few merchant ships during the war; however, they always condemned the government for having launched out into the costly venture of a merchant marine, without calculating and foreseeing what it would cost the country already crushed under by the burden of the state ownership of railways. In 1918, the government owned four ships and

when the Conservatives fell from power, the number had increased to sixty-three.

The Liberals never ceased condemning the merchant marine which will go down in history under the name of the "Ballantyne Marine." Not without cause have they reproached this ex-Minister of Marine for having given out without public tenders fifty-six contracts for the construction of merchant ships at a total cost of $43,704,962.

This merchant marine finally cost us $70,000,000! Therefore, this brief review of the facts, although incomplete, brings to light this undeniable truth: our deplorable financial situation, previous, during and after the war, is due to the Tory government; an unskilful and extravagant administration from 1912 and 1913; war contracts which have squandered many millions of the public funds; exaggerated and useless recruiting which—the fact being even admitted by Sir Arthur Currie—brought on a loss of $150,000,000 to the country; purchase of bankrupt railways which have overburdened our budget and show, each year, deficits amounting to 60 and 70 million dollars; the establishment of a merchant marine which has cost us 70 million dollars and entails a yearly loss of many million dollars.

Indeed, the heritage that the Tory government left to the Liberal government was pitiful. Nevertheless, the present government administers the public affairs in the best possible way; the management of the state railways, until we can find a purchaser or carry out a merger which will not throw the country into confusion, has been placed in the hands of a most competent man; the annual increase of our debt which, even two years after the war, amounted to almost $100,000,000 under the preceding government, has been substantially decreased; taxation has been diminished and the expenditures checked. The present government adminsters the affairs of the country at a cost less than in 1914, so far as controllable expenditures are concerned. The Liberal government's task is heavy and difficult and is certainly not at an end. The leader of the opposition and his followers who have left us in the lurch, not only reproach us for being there, but have no suggestions worth while to make toward improving the country's finances.

The Tories have but one remedy for all the ills they have caused and from which we suffer: it is protection! By mounting this old lanky horse, the leader of the Tory party remains what he was in 1921. He has not changed. There is, therefore, no earthly reason why the public should change their opinion of him. The Conservative party wants a high tariff rather than a broad one; the Liberal party favours a broad tariff rather than a high one, a protective tariff which benefits everybody.

Mr. LAPOINTE (Translation): Hear, hear!

Mr. PREVOST (Translation): They favour the masses instead of classes. It was Laurier's policy. The Tories are using the same weapons against the Liberal government of to-day, as they used in their attacks against the Laurier government. Our opponents are endeavouring to create a panic among the capitalists and the working classes by saying that the Liberals will ruin the Canadian industries. The same old tune. It is not of yesterday... Laurier responded to it by giving Canada an unheard of period of prosperity. The present government responds to it, in its turn, by helping the consumers without prejudicing the manufacturers.

It is amusing to read over the calamities which were prophesied last year by a number of Conservatives, because the government had dared to lower the duties on certain instruments of production.

The words of the member for Fort William and Rainy River (Mr. Manion) still linger in my memory, his magnificent voice with its great range, trills and variations have made him the first tenor of the group who chime in with the leader of the opposition, I still hear the hon. member exclaim in this House, on April 28, 1924:

> Someone has described this budget as national suicide. I should like to describe it as national homicide.

The hon. member denounced the government for wanting to crush the eastern industries; he stated that the 1924 budget would no doubt ruin a number of legitimate industries.

The member for Fort William and Rainy River, might tell us, this year, with the same certainty, what are the legitimate industries that have been ruined by the 1924 budget?

Other speakers contended that the manufacture of farm implements, in particular, would be ruined; now, the facts as well as statements emanating from the manufacturers themselves prove the contrary. Indeed, Sir, if we compared the stature of the men of the Tory group to their criticisms, there are no giants among them.

Although the financial outlook of our policy bears a great importance, it is not the only one to hold our attention. The national spirit by which our policy must be inspired and guided is still more intimately linked with our life and future than the wealth or poverty

of our finances. Money lost can be replaced, with regard to our tariff, it strikes me, that in a country like ours, the various interests will guide the more and more, and for the better our tariff policy towards a happy medium.

I do not deny that all these problems of an economic order are important, however, none of them are a question of life and death for Canada. While the failure of the true Canadian spirit would cause the disintegration of our national life. If the Canadians do not live up to their high ideals, they will disappear as a nation. That is why we should, above all things, be Canadian citizens. I feel, Sir, that it is an easy task for me to express in the same breath, this notion of Canadianship together with the Mackenzie King government, for both go hand in hand. The Canadian Premier, in his statements and, still more in his attitude, has expressed a national ideal in unequivocal terms, openly opposed to the disastrous influences of British Imperialism or to all other policy foreign to true Canadian interests. At the time of the Anglo-Turk difficulty, when English politicians... and Canadians wished to foolishly drag us again in a new war, the King government's stand was what it should be. The same thing happened, at the last Imperial conference, also when the question of the Lauzanne treaty came up, and the Geneva conference, the Liberal government's attitude has been entirely autonomous and sincerely Canadian. You will bear witness, Sir, that the Premier will be highly censured for it! Already, in certain Tory and Imperialist circles, a price is put on his head, as the Tories of 1837 and 1838, the ancestors of those of this day, put a price on the head of his grandfather, Lyon Mackenzie, the leader of the patriots of Upper-Canada, who fought the oligarchy and struggled to obtain responsible government.

The essentially national policy of the Liberal Premier has the support of all true Canadians. It is the policy of the future: a broad-minded and generous policy, considerate of all citizens, loyal to the empire, yes, but especially loyal to Canada itself, a great and rich country in partnership with England, and not a colony reduced to slavery.

Canada, is our great fatherland, it is our only fatherland. No doubt, I have like many others a special attachment for Quebec. What patriot, in any country, has not a preferred corner in his fatherland? Quebec is the corner of French Canadians and that is easily understood: that province is our cradle, and, that native soil will also be our tomb. The tender and emotional love with which it inspires us does certainly not exclude the expansive, deep and great love which we feel for the whole of Canada. Through the medium of Quebec, it is Canada that we love and wish to serve. In this parliament, where Canadians from everywhere meet, we feel that there must reign over political parties, races, various religious beliefs and private interests, a dominating thought: the Canadian spirit. As in the Forum of ancient Rome, where men of various races and social standing met, brushed against one another and were on an equal footing by the fact they could say: "Civis romanus sum"; in our Confederation, Canadian citizenship must make us all equal, united, proud and strong. The policy of those who govern and guide us must be inspired by such an ideal: To create this Canadian spirit where it does not exist and to watch its development and expansion where it exists, so that it may guide us in the right path, this broad and generous Canadian citizenship which is no more nor less than real love of our country.

Mr. W. T. LUCAS (Victoria, Alberta): Mr. Speaker, if the long-winded speeches that we have listened to during this session of parliament were a solution for many of our difficulties in Canada, I can assure you that I would have no fear in regard to the Canada of the future. At the outset of my remarks, I want to say that anything I have to offer will be, not in any spirit of antagonism, but rather in a tone of encouragement, in an endeavour to encourage the government that has now the management of this country in its charge to carry out the policies on which it was elected. The situation is too serious at the present time for any true Canadian to try to make political capital out of it. It ill behooves either of the two old parties to endeavour to make political capital out of the situation in which we find ourselves to-day, because they are both responsible for it. If we could cut out a great deal of politics from this House and get down to business in a businesslike way, we might be able to make some progress.

Coming for a moment to the financial statement which we had presented to us by the Acting Minister of Finance (Mr. Robb) in his budget address, I would like to suggest that we adopt a system of bookkeeping that the average man in the street might be able to understand. On the one hand, we have the Acting Minister of Finance stating that we have a surplus at this time, while on the other we have the ex-Minister of Finance (Sir Henry Drayton) denying that we have a surplus and asserting that, on the contrary, we have a very large deficit. Every hon. member will agree

that these are two hon. members of very high standing in this House, and if they cannot agree on this question, what is the man in the country going to do? This question should be settled once and for all, because I can picture what is going to happen in the country if an election takes place shortly, what statements are going to be made on the stump, one side holding up the splendid surplus that they advocate and the other side just as strenuously stating that there is no surplus but a huge deficit. The result will be confusion amongst the electorate in Canada.

As regards the Greek and Roumanian loans, it is Greek to many of us. I should like to commend the government for having placed those loans on a better financial basis, but further than that I do not see that they can take any credit at the present time. If, for instance, we should have a war in Europe in the near future—and such a thing is not unlikely under existing conditions overe there —what would be the chance of collecting anything on that loan? The government would be well-advised to leave that amount out of their surplus until they have made a collection, and that would be the proper time to apply it to reducing the debt of this country.

As regards the budget, I am badly disappointed with the government at this time in not carrying out their pledges to the people at the last election. The people of this country have placed in power a government, believing that they were truly standing for the pledges which they made to the people at that time. But we find that after taking a few side-steps they finally came to the position of stand-patters. I read, with some interest, on the morning after the budget was delivered this editorial in the Ottawa Citizen. It is headed "A Standpat Budget" and it goes on to say:

> Nobody expected the government to bring in any substantial changes in the method of raising revenue this session. None has been made. Although the great majority of members are committed to a fiscal policy of freer trade, they seem to have less power in the country than the small groups of special interests who oppose tariff reductions.
>
> Party leaders are allowed to talk about the national policy, but the economic policy of Canada is determined by interests outside of parliament. That becomes yearly more apparent: it will probably continue so until the people of Canada, thinking as consumers, really know what they want to get from the building up of Canadian industry.
>
> At the present time, the small groups of protected, bonused and subsidized interests know what they want. So far, they have succeeded in getting about everything they want from parliament.

It seems to me that that is the situation we have in Canada to-day, that while we have had governments in Canada ever since confederation going to the people and advocating certain policies, there has always been, I would almost feel like saying, another government behind the scenes pulling the strings. When we look back over the debates in this House since confederation, we find that the great arguments have been on the question of protection versus free trade. Politicians have laboured and have filled pages of Hansard on this question, and yet we find ourselves to-day in the same position, debating the same old question. Taking the figures supplied by the hon. member for South Winnipeg (Mr. Hudson) the other day, I find that the average tariff on all imported goods coming to Canada has been as follows: In 1878 the average was 13.1; from 1883 to 1896 it was 19.1; in 1898 17.5; in 1911 16.2; in 1922, 16.2; in 1923, 16.7; and in 1924, 15.1. Outside of the period from 1883 to 1896 when we had an average of 19.1 the tariff has not varied practically more than 1 per cent. I think there is something very striking in this for every member of this House as well as for every man in the country. It shows that we have had practically the same policy in this country during all these years, and I would ask any hon. gentleman in this House whether he would be prepared to stand up and express his satisfaction at the progress that Canada has made in the last half-century. Looking at our figures in the matter of population in that time we find that in 1871 we had in Canada 3,689,257 people. Our total immigration into Canada in the past fifty years has been 5,099,692 while our natural increase has amounted to 3,931,125, or a total of 12,720,074. Yet in 1921 at the last census we had a population of only 8,788,483. As I have said, we have had during the last fifty years practically the same policy, and we find that we have lost in that time 3,931,591 of our population. We have spent in our Immigration department over $30,000,000 and the results, as I have shown, are anything but satisfactory. Would any business concern put up with such a state of affairs? It seems to me that any business that had followed a certain policy for fifty years, practically without change, without making any greater progress than we have made under the policy that we have pursued would fire the whole management and adopt something new. Our Conservative friends say that we should have higher protection. Well, they have been in power a number of years during which this policy has been in effect, and yet we can see no very great change as a result of its operation. But suppose we did increase the tariff two or three per cent, what difference would that make?

Then our Liberal friends suggest that we might have the tariff a little lower. But if they reduced it by two or three per cent, would such a reduction show any appreciable difference? We have had practically the same policy all along, and in the case of either a reduction on this small scale or an increase there would be no great difference. I have come to the conclusion therefore that the time has arrived for some radical change in policy if we are to make any progress in the future.

This is a country of wonderful opportunities; we enjoy very many blessings. It is very seldom indeed that any hon. gentleman rises in this House who does not boast of our wonderful natural resources. So that when we think of these resources and reflect that this is a new country, it is disconcerting to realize what little progress we have made; we cannot help thinking that there is something wrong with the policy that we have followed. I want to ask the government to tell us why they have faltered in carrying out the policy upon which they were elected. Last year they made a fair attempt to implement it and several reductions were made. And our Conservative friends have not failed to seize every opportunity to inform the House that this partial adoption of the policy upon which the government was elected has been the ruin of industry in this country; they have told us how many industries have gone out of business. On the other hand, the Prime Minister (Mr. Mackenzie King) and the Minister of the Interior (Mr. Stewart, Argenteuil) have declared that these industries that were affected last year by the tariff are showing splendid progress; they say that the implement firms, one of them particularly, paid very substantial dividends during the past year. And on top of this, according to the government's own figures, a surplus is shown in the budget this year. Well, if that is the case, and if the reduction in the tariff last year did not hurt these industries, what excuse have the government for not applying the same policy to every other industry? The government were elected on this platform of freer trade. Last year out of six by-elections they won five, and this to my mind would seem to have been an endorsement of the policy which they adopted at that time.

Mr. LAPOINTE: Hear, hear.

Mr. LUCAS: The Minister of Justice says "hear, hear." I think the people who elected these candidates last year, if they had to pass upon them again, might vote differently.

An hon. MEMBER: They are better satisfied than ever.

Mr. LUCAS: I am glad to hear that. As I pointed out a few minutes ago, we have had practically the same policy, except for a variance of about one per cent, during a number of years and we have made no great progress. I invite hon. members therefore to consider the question whether the time has not come for the adoption of some radical change. If we could not make greater prosperity in the past fifty years than we have made, in a new country, with low taxation and the lure of free lands, in the name of heaven what is the hope for the next fifty years with things as they are to-day? To my mind, protection as we have had it during the last fifty years has proved a failure, and I for one should like to see the government take its courage in its hands and get behind the free trade policy on which it was elected, and put it into effect. If the government would do that and would come out boldly and stand by that policy, making a fairly substantial cut of three per cent a year for five years, our industries would know what they might expect and would be able to adjust themselves to these conditions. And any industry that refused to place its cards on the table and reveal the condition it was in would simply have to take the consequences. On the other hand, as regards the industries that are indigenous, if any could honestly show us that they were unable to carry on, I would be quite agreeable to some system of bonusing them for at least a period of years to see what they were costing the country and whether it was worth while to maintain them. In my opinion that which Canada most needs to-day is population. We have provided facilities in this country for a population of at least twenty-five or thirty millions, perhaps more; and nine millions of people are endeavouring to carry that load. We all know the condition our railroad systems are in to-day, and unless we can get more population in this country to produce more tonnage for our railroads, it seems to me it will be only a matter of a few years before they are facing a very serious situation.

Everybody admits we need population, but where are we going to put new immigrants? Can our cities absorb any more to-day? I think not. We have our bread lines, or at all events there is a great deal of unemployment at the present time. The only place where you can put these new immigrants is on the vast open spaces of this country. In my opinion we have had a policy which I might call a cart-before-the-horse policy. We have been trying to build up an industrial system

when what we needed was a policy that would develop those vast open spaces. You cannot put a settler on the land to-day and tell him that he has got to stay there. Unless he can make a fair return on his labour he is not going to stay on the land, and the result is that our cities are to-day overcrowded, and instead of our manufacturers building up a home market we find they have come to the point where they are now standing still and are waiting for more immigrants to come in to fill up the open spaces and build up a home market for them. Under those conditions I think the policy of this country should be directed right in line with the policy brought down by the Acting Minister of Finance last year. I believe that was a truly national policy, providing, as it did, for the development of our four basic industries—agriculture, mining, lumbering and fishing. I feel confident, Mr. Speaker, that if we develop those industries and make them prosperous, we shall not need to worry about our manufactures. If our agriculturists on the great plains in the west, and in fact throughout Canada, had the purchasing power to supply their needs to-day, I tell you, Mr. Speaker, our manufacturers, even working night and day, could not supply their needs. Yet we find our politicians scrapping away over the same old policy that we have tried out for fifty years and found wanting. There is no business concern in this or any other country which after having tried out the policy for half the time we have tried it out in this country, and with no better success than we have had, but would scrap it,—and scrap the men who were following such a policy if they did not make up their minds to change it. The United States have come to recognize that while their industries are important after all no one part of the country can prosper alone but all must move together. President Coolidge speaking at Chicago some time ago is reported as follows:

> Real and permanent prosperity for the United States depends on putting agriculture on its feet, President Coolidge declared in a message to the farmer-manufacturing convention which opened here to-day.
>
> "It is perfectly apparent to all of us that we shall not have real and permanent prosperity for the whole country, nor for the greater part of it, so long as any large and vitally important section of its productive industry is unable to prosper," Mr. Coolidge said in part.
>
> "The plight of the farmers in recent years has been and will continue to be a menace to the prosperity of every other element in the community until we find means of relieving agriculture."

I would like to take this opportunity of bringing home to the Acting Minister of Finance the fact that we are looking very anxiously to him to bring down this session legislation upon the question of rural credits. I am pleased to see that Dr. Tory has brought in his final report, and I sincerely trust that the government will hasten to bring down legislation bringing his recommendations into effect. The financing of the farmer must be approached from no ordinary angle. What would be the position of all the successful manufacturing plants, factories and corporations of eastern Canada, if they had to pay eight or ten per cent for money, and if the capital in their business was subject to call every three or four years? They could not function, of course; they do not do business that way. Their capital is raised by the sale of long term stocks, bonds or debentures in the open markets, in the ordinary way that modern, scientific investment machinery demands. What we are asking for is that the business of agriculture be placed in the same position, that the farmer be allowed to mobilize his security and go into the markets on an equal basis with all other corporations. It can be successfully shown that the security based on agriculture is second to none.

A survey of the national wealth of Canada as of 1921 put the capital invested in farms and live stock at $6,587,000,000. In 1923 the total agricultural output amounted to over $1,300,000,000. Over fifty per cent of Canada's population is rural and makes its living off the land. That the prosperity of the farmer is the basis for national prosperity is well known. The western farmer is the mainstay and backbone of eastern Canadian industry. Assuming that these statements are true, and they cannot be disputed, we find an industry with assets worth nearly $700,000,000, and an annual turnover of $1,500,000,000, with no modern method of handling their credit problems. The farmer is handicapped in having to function under a financial system that does not meet his requirements, is not only inadequate, but actually harmful economically, socially and politically.

The future of Canada does not depend upon the cities, and in saying that I am not disparaging our cities. It depends upon the farmer. Business is good when farmers have money to buy; but, going deeper, history has proven again and again that the strength of any nation lies in the number and prosperity of its small freehold farmers. It may not be generally known that Canada is the only important agricultural country in the world to-day that has not adopted a sound system for properly financing the business of agriculture. On the other hand, the western farmer must sell his products in the markets of the world in competition with countries

that enjoy the benefits derived from a scientific system of long-term loans, with a low rate of interest. In the United States, the Land Bank system has now functioned for seven years, including a period of great inflation, followed by one of drastic liquidation, and no serious weakness has appeared either in its theory or in its practical operation. It is universally agreed that the business of agriculture is entitled to capital on equal terms and at as good a rate of interest as any other manufacturer or corporation, providing the security is as good.

I should like to say to the Acting Minister of Finance that there will be great disappointment in western Canada if the government do not at this session bring down legislation providing for some system of rural credits to meet the situation in the west.

Mr. MOTHERWELL: Will the hon. member tell us why the Alberta government does not bring into force the rural credit scheme that is already on the statute books of that province? They have a rural credit scheme there, and so far as I know, it has never been put into force.

Mr. LUCAS: I think the answer is quite obvious. The provincial governments are not able to secure the money that is necessary for a scheme of this kind.

Mr. MOTHERWELL: The province of Saskatchewan has put out nine or ten million dollars.

Mr. LUCAS: I think it is generally understood that the Dominion government can provide money much cheaper than any provincial government. The securing of money at a low rate of interest is one of the chief considerations in this matter. Unless we can secure the money at a reasonable rate there is no use in adopting the system, because we would be practically no better off than we are at present.

Mr. WARNER: Is it not a fact that the Alberta government, before taking any further steps in the matter, were waiting to see what the Dominion government was going to do?

Mr. LUCAS: Yes, I think that is correct.

Mr. MOTHERWELL: My hon. friend surely does not mean to say that the province of Alberta cannot borrow money as cheaply under a Progressive government as the province of Saskatchewan can under a Liberal government?

Mr. LUCAS: What rate of interest are the government of Saskatchewan paying for their money?

Mr. MOTHERWELL: They are paying five per cent and charging slightly over six. That is my recollection.

Mr. LUCAS: I would like to say to the minister—

Mr. JELLIFF: I would like to ask the hon. gentleman whether it is not a fact that the Saskatchewan government have ceased to make further loans to the farmers because they could not get money enough to do it?

Mr. LUCAS: I heard that statement made. I would like to say to the Minister of Agriculture (Mr. Motherwell) that I understand the Saskatchewan government are very anxious to come in under the federal scheme.

Mr. MOTHERWELL: The reason they are not lending more, if my hon. friend wishes to know, is because there are no investors to put their money into the scheme, and, further, that the money is not coming back as quickly as they would like.

Mr. LUCAS: They are evidently short of money, then. There is another question I would like to deal with, one that I think is of vital importance to Canada, namely, the handling of our grain through our own Canadian channels. I would like to refer hon. gentlemen to the report of the Royal Grain Inquiry Commission presided over by Mr. Justice Turgeon. If they will turn to pages 203 and 204 they will find some information that is worth noting in this connection. I quote:—

> The report of the Minister of Trade and Commerce shows that in the crop year 1921-22 the exports of Canada wheat
>
> | | Bushels |
> |---|---|
> | From New York, Baltimore, Boston and Portland were.. .. .. | 100,009,466 |
> | From Montreal and Quebec.. .. .. | 28,030,051 |
> | From St. John, N.B... .. .. | 6,604,898 |
> | Total.. .. .. | 134,744,415 |
>
> So that the comparison between United States and Canadian seaports, in the export of Canadian wheat in that year was 74 per cent and 26 per cent.
>
> In addition to this, several million bushels were shipped by Vancouver and went to Japan and China, or through the Panama canal, to Europe.
>
> In the crop year, 1922-23 (1st September, 1922 to 31st August, 1923) the exports of Canadian wheat were—
>
> | | Bushels |
> |---|---|
> | To United States.. .. .. | 12,936,048 |
> | Via United States ports to United Kingdom and elsewhere.. .. .. | 129,871,095 |
> | Exported from Montreal and Quebec.. .. | 57,030,848 |
> | Exported from St. John, N.B... .. .. | 12,014,152 |
> | Exported from Vancouver.. .. .. | 17,829,671 |
>
> which makes the comparison between United States and Canadian Atlantic seaports 65 per cent and 35 per cent as regards exports overseas.

The figures are also now available with regard to the export of Canadian wheat for the crop year ending 31st August, 1924. They are as follows:

	Bushels
To United States for consumption	21,320,242
To United States seaports for export	141,079,337
Exported from Montreal and Quebec	63,568,444
Exported from St. John	9,412,533
Exported from Vancouver	53,809,505
Total	289,190,061

These figures show that the eastern coast exports continue as before, 66 per cent via United States seaports and 34 per cent via Montreal, Quebec and St. John. This is a very vital question, and these facts are in themselves a strong argument for the equalization of our freight rates through the mountains to Vancouver. In view of the percentage of grain that is going through American ports at present, to my mind there is no reason why we should not make every effort to encourage the shipment of that grain through our own Canadian ports. So far as the reduction of the mountain freight rate is concerned, I would point out that there are no mountains so far as grade is concerned from Edmonton to Vancouver, because we have as low a grade between those two points as prevails between Edmonton and Fort William.

According to the report of the grain commission the distance over which this great volume of business is being carried across the Atlantic are as follows:

Via New York—

	Miles
Winnipeg to Fort William, rail	420
Fort William to Buffalo, water	860
Buffalo to New York, rail	400
New York to Liverpool, ocean steamer	3,100
Total	4,780

Whereas if sent all rail to Quebec or Montreal, the figures would be:

Via St. Lawrence—

	Miles
Winnipeg to Quebec, rail (1,372 to Montreal)	1,350
Quebec to Liverpool, ocean steamer	2,633
Total	3,983

So that, as this report states, western province grain exported via New York has to be carried 800 miles further than if it were shipped at Quebec, or about 650 miles further than if sent all rail to Montreal. I quote further from the report of the commission:

It is true that the grain sent by New York has a shorter rail haul than that sent all rail to the St. Lawrence, but on the other hand, it is subject to two double transhipments, one at Fort William and one at Buffalo, which are not encountered on the other route. These additional elevator charges, combined with the lake freight and marine insurance from Fort William to Buffalo, not incurred on the all rail Canadian route, should more than compensate for the greater rail haul. For instance, the cost of handling wheat from Fort William to New York, in October, 1923, was:

	cents per bushel
Elevator charge, Fort William	1.25
Lake freight, Fort William to Buffalo	5.20
Marine insurance	0.30
Elevator, Buffalo	1.00
Railroad freight, Buffalo to New York	9.10
Elevator, New York	1.00
Total cents per bushel	17.85

The total by the Georgian bay route was 16.65 cents a bushel and by the all water route, 15.45. So that even if our grain went east through all-Canadian ports we find that it is a cheaper rate than going by New York. We find further from this report that in 1916 a rate of six cents a bushel from Winnipeg to Quebec was in effect on the National Transcontinental Railways, and Dr. Reid then Minister of Railways stated at that time that it was a profitable rate. A great deal of grain flowed that way under the six-cent rate. But later that rate was raised to 20¾ cents a bushel, and the result has been that the shipments have dried up. It seems to me that the government might well look into these questions and see whether a rate could not be provided that would keep more of our grain in Canadian channels. If we had a rate from Armstrong to Quebec in line with the Crowsnest rates from the west to Fort William, we would have a rate of 11 cents a bushel instead of 20¾ cents from Armstrong to Quebec. It seems to me that it would be good business to divert that traffic to our own Canadian railways rather than let it go through American ports. Moreover, the handling of this grain when it goes through our ports will provide a great deal of work for our own people.

Another matter that affects us vitally in the West is discrimination as between domestic and export rates. We find that in shipping grain through Vancouver the domestic rate is 41½ cents per hundred pounds, while the export rate is 22½ cents, a difference of 19 cents. Now when we come to ship that same grain, say to Montreal we find that the domestic rate is 63½ cents per hundredweight and the export rate 60½ cents or a difference of only 3 cents as compared to 19 cents at Vancouver. It certainly seems rather hard to understand why we should be penalized on the western route to that extent. I may say that our trade with the Orient is developing very largely so that rates on the western route are a matter of great importance.

I should like to revert for a few moments to the tariff question and to say that our manufacturing friends will have to adjust their business similarly to the adjustment the farmers have had to make in view of the conditions with which they have been faced. We have heard a great deal about the farmers adopting a system of mixed farming and they have been warned not to put all their eggs into one basket. Now, just to quote a few statistics from the province of Alberta, we find that while the total value of dairy products in 1905 amounted to only $1,000,000, in 1924 the value had grown to $22,928,750; and that whereas in 1905 the product of 13 creameries reached a total of 813,000 pounds in 1924 there was an output of 21,500,000 pounds from 89 creameries. Of cheese 13 factories in 1915 produced 381,832 pounds, and in 1924 the output of the same number of factories had increased to 1,675,000 pounds. Our export of butter in 1922 amounted to 1,000,000 pounds, while in 1924 it had increased to 4,100,000 pounds. Therefore it cannot be said that the farmers in the west are not adapting themselves to the changed condition which has arisen. On the other hand we find that our manufacturing friends, instead of trying to meet those changed conditions, are coming whining to parliament year after year and asking for more protection. We find that while the manufacturers believe in protection on what they have to sell they are really free traders themselves when it comes to what they have to buy. Last year I met several gentlemen representing manufacturing concerns engaged in the steel business. They were complaining about conditions in their industry and in conversation with them I found they were buying most of their steel in the United States. I asked them why they were doing this and they said because they could buy cheaper there. I said "I presume it is good business to buy wherever you can buy the cheapest?" and they answered "Certainly". Then I said "If it is good business for you to do that why is it not equally good business for the farmer?" We find, as I say, that while these gentlemen are protectionists where the other fellow is concerned they are looking for advantages of all kinds for themselves. I placed a question on the order paper a few days ago and I find from the answer to it that while these gentlemen advocate protection for their own industries they receive in drawbacks practically one-tenth of the whole amount of duty collected by this country. I was always under the impression that this drawback was only paid on goods manufactured in Canada for export, I was surprised to find that there is a very large amount of drawback paid on raw materials imported into this country and manufactured here for home consumption.

At this late hour I do not wish to delay the House any longer except to say this: I think that if we are ever going to have prosperity in Canada greater attention will have to be paid to the basic industries of this country. Personally I will be willing at all times to give my support to any government that will carry out a policy of that kind.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): I should like to speak in French, in my own language, on rising to make my maiden speech, but I shall defer doing so until another occasion because I have certain views to express in the interests of my own constituency and wish to be clearly understood by every hon. member. I have been represented in certain quarters as an independent Liberal. Both words are synonymous and this is a case where the less is included in the greater. Ever since my boyhood I have been an ardent admirer of Sir Wilfrid Laurier who, in his immortal lecture on Liberalism in Quebec, declared that Liberalism was derived from two words—liberty and liberality. I shall always remember what Sir Wilfrid Laurier said and shall act accordingly. He was one of the greatest men in the Liberal party in Canada, and, for many years, one of the greatest statesmen in the British Empire. I am glad to pay this compliment to the right hon. the Prime Minister: He was faithful and true to Sir Wilfrid Laurier when, on an occasion which everybody remembers, others who had proclaimed themselves his friends had deserted him. As a newly elected member I wish to express my gratitude to the members of the government, to every hon. member of this House—including hon. gentlemen opposite—for their courtesy to me; and I think that my colleagues who were introduced with me at the beginning of the session share my views on this point. I wish not only to thank my fellow members but also the officers and employees of every department of the House for helping us in our work.

My county is a very large one, the population being about 50,000. It is one of the largest rural constituencies of the province of Quebec, and as my election took place only two months before the opening of the session I should like to put on Hansard an important resolution which was adopted at a meeting of the county council of my constituency:

March 11th, 1925

Province of Quebec

Municipality of the County of Temiscouata

At a general quarterly meeting of the municipal council of the county of Temiscouata held at the court house at l'Isle-Verte on Wednesday the eleventh day of March nineteen hundred and twenty-five at ten o'clock in the forenoon and held in accordance with the provisions of the Municipal Code of the province of Quebec, and at which meeting there was a quorum, the following resolution was carried:—

"Moved by Mr. Alphée Beaulieu seconded by Mr. J. A. Beaulieu:

"Whereas the county of Temiscouata is one of the largest and most thickly populated rural counties in the province of Quebec;

"Whereas the county of Temiscouata suffered heavily in the forest fires of 1923 which caused property loss and damages estimated at three million dollars;

"Whereas the crops harvested by the farmers of the county of Temiscouata in 1920, 1921, 1922 and 1923 were very poor and that trade was seriously affected thereby;

"Whereas, on this account, the farmers of the county of Temiscouata were compelled to incur heavy indebtedness during many years in order to live, purchase seed grains and winter their stock;

"Whereas, the county of Temiscouata faces a peculiar and critical situation and urgently requires assistance from the Dominion government in order to protect the farmers and to ensure of their living happily on native soil rather than migrating to the United States;

"Whereas, in 1923 the Dominion government gave monetary aid amounting to $100,000 to the earthquake sufferers of Japan;

This council prays the Right Honourable W. L. Mackenzie King, Prime Minister of Canada, and his honourable colleagues to deign include in the supplementary estimates of each department concerned, before the close of the present session, substantial amounts for each of the demands that shall be made by our member, Mr. Jean-François Pouliot, in the interests of the county of Temiscouata—Carried.

JULES LIZOTTE,
Warden.

J. W. ROY,
Sec.-Treas.

In the first place I should like to say something about the most urgent needs of my constituency. It is very important that we should have repairs made to the public buildings, all of which should be inspected by the officers of the department concerned, because a stitch in time saves nine. We need daily mail service everywhere. I wish to express my gratitude to the Postmaster General for the improvements he has made in this direction, but there is still something to be done in the southern part of the county, and I am sure he will give his attention to the matter. We need also a new station at Rivière du Loup. The present one is very old and too small for the traffic. We require a bigger station because Rivière du Loup is the terminus of the Temiscouata railway which connects the Intercolonial with the Transcontinental railway, New Brunswick and the state of Maine. We also require a new post office and customs office at Trois Pistoles and a customs office at Cabano. There is no proper post office at Trois Pistoles. The post office is in a small building, and a new post office should be built at that place. There should be some dredging done in my constituency at Rivière du Lour and Isle Verte. The wharves should be repaired, and there should be a telephone between Notre Dame de l'Isle Verte and Cacouna, because there is a powerful lighthouse on Notre Dame de l'Isle Verte and there is no connection between the lighthouse and the mainland. These are some of the needs of my constituency; I will insist upon them, and I hope that the government will give us a favourable answer to all our demands.

With regard to the tariff, we have listened to some very interesting speeches on both sides of the House, but experiments should be made in normal times only. The Acting Minister of Finance (Mr. Robb) deserves great credit for making the speech that should be made under the circumstances. He understands that, with the debt as big as it is, it is very dangerous to make a change without full consideration and without being sure of what will happen after a change in the tariff is made. The Acting Minister of Finance spoke as a bank manager and gave a clear and true statement of the financial standing of Canada. Could there be a standard tariff? I do not think so. The struggle between free traders and protectionists is a struggle between the Little-endians and the Big-endians. One does not remember that the government ever promised to establish free trade in this country; but the government promised to reduce taxes, and acted accordingly. It is impossible to reduce all taxes at the same time, but there is a good start made in that direction. Free trade had been established by England when she was mistress of the seas and when she had a big fleet to carry products to and from the British isles. This is the reason why free trade was established in England. But, on the contrary, when, after the war the United States had a surplus of production, it was impossible for them to sell those products outside of the country, and they established protection in order to sell them at home. The conditions in both countries were absolutely different. For example it is not reasonable to say that we should establish such a tariff, that we should lower the tariff or raise the tariff, simply because a certain tariff exists in another country. What suits one country might not be good for another one. The United States are favoured by tropical climates, semi-tropical climates and temperate climates; the United States are in a position to provide for

themselves. But it is not so in Canada. We have to buy several products from other countries. I see that an hon. member of this House has placed a resolution on the Order Paper to abolish the British preference. I have read recently in the papers that the parliament of South Africa has proposed to establish a quid pro quo tariff in regard to the British preference. This means that if England places an embargo on some of the products from South Africa, the parliament of South Africa will act accordingly with reference to British products. That is good horse sense. There should be no sentiment in tariff, and England has furnished us an example of that proposition. The hon. member for Queens (Mr. Mackinnon) complained in his speech that Great Britain had placed an embargo on potatoes from North America. The pretext was that those potatoes were not good and were the source of a disease with some scientific name. The same thing has been said with regard to cattle. Some people say that we shall continue to have a British preference even when England puts an embargo on our products. There should be a reciprocity of treatment. The fundamental law of political economy is that of supply and demand and it is in the interest of the country to look for an extension of trade. People talk protection, but protection for whom? It is all right to protect the industries, but the people should be protected at the same time. Protection is called by some people a national policy. A national policy should be national as a whole. We are not citizens of the world. Our country is Canada and we must consider everything from a national and Canadian point of view. We must have a Canadian spirit, and for my part I am glad and proud to say that I represent a French-Canadian constituency of the province of Quebec.

I wish to read a few quotations from what was written in some very big and important Ontario daily papers during the election of 1917 by the Unionist Party Publicity Committee.

This is one under date of December 15, 1917:

> Shall Quebec force her will on Canada? Quebec, who has spurned her duty to Canada in the war, made conscription necessary. Had the French-Canadian done his duty under the voluntary system of recruiting, the Military Service Act, 1917, would not be in force today.

This is signed: "Unionist Party Publicity Committee," Here is another under date of December 15, 1917:

> Your vote on Monday will return Union government or leave Canada to the will of Laurier, Bourassa and Quebec. If you are a true, loyal Canadian, your vote will be for the Unionist candidate.

These quotations and lots of others to the same effect have been signed by the "Unionist Party Publicity Committee." There was also the Citizens' Union Committee which wrote that "Quebec must not rule all Canada." Those people insinuated at the same time that Quebec was bought by German gold. The only trouble was that the people of Quebec did not lose their heads, and I cannot understand why that party which had power at that time assumed the responsibility of attacking one large part of the country in order to retain power. This is a quotation from a statute passed by this parliament, the Criminal Code of Canada, of which section 136 reads:

> Everyone is guilty of an indictable offence and liable to one year's imprisonment who wilfully and knowingly publishes any false news or tale whereby injury or mischief is or is likely to be occasioned to any public interest.

Those people who wrote wrongfully as they did against the loyal, respectable and reliable people of Quebec were acting contrary to that statute and contrary to the spirit of confederation. What we saw was that after they had won their election, they knelt down before Quebec and apologized for what had been said by their party which they had not denied before. No member of the Unionist party ever took the responsibility for the direct lies and seditious libels officially published under the name of their own party in daily papers throughout Ontario during the whole election campaign. The result was that at the following election the people of Quebec remembered what had been previously said in Ontario at that time and as a consequence not a single Unionist member was elected in Quebec in 1921.

The hon. member for Victoria, Alberta (Mr. Lucas) said that he did not know how the people of our constituencies were to judge us at the next election. The hon. member for Rimouski (Sir Eugene Fiset) made a strong protest and so did I, let him come home, and learn, and see that our friends in our constituencies are very well satisfied with the work which we are doing here for them. I am glad to say that the hon. member for Rimouski is the general who successfully led a delegation of a few hon. members of this House to the railway commissioners to obtain a reduction in the freight rates on potatoes, and this has proved to be a great help to the farmers of our district.

I should like to say a few words about the bonne entente. The people of this country

should know each other and they should also know our country. The people of Quebec are not at all sectional as they are represented to be by some Ontario papers. They are practical people. They have lived for generations on the soil of their province. They are happy to live there. They love their country and they understand quite well that their country is Canada. They are not narrow-minded, they would be ready to defend Canada at any time; but they do not understand how money can be spent for any war outside of the boundaries of Canada. I am sorry that only one member of the Unionist party is in the House at present, but I shall be glad to invite him to come down next summer into my constituency and to introduce him to the farmers of lower Quebec. I am sure he will appreciate them, realize that they are good and reliable people, and give the news to some of his colleagues sitting next to him so that no mistake should be made in the future.

The Canadian stock is the best stock we have in this country. Two years ago there were in my constituency terrible forest fires which caused damages to the extent of at least $3,000,000. Some parishes were completely ruined and those people who were Canadian-born and who had lived generation after generation on our soil, instead of migrating to the United States, remained where they used to live. Their houses, their buildings were burned; nothing was left besides their wonderful courage. They said: "We have had trouble, but we will start again here." So they did. This is the kind of people that we should help, that we should keep with us. Instead of spending money for immigration to bring people to this country at a high cost, we should use that money in keeping our people at home and helping them to live happily on Canadian soil.

The government is continuing to grant a subsidy to the provinces for the upkeep of the roads. There are three kinds of public roads: there are the local roads, for the local use of the municipalities; there are the provincial state roads and there should be the federal state roads which should be at least in part in the care of the federal government. In my opinion the government should grant the subsidy to the municipalities instead of giving it to the provinces. Under the law of the province of Quebec the municipality may obtain from the local government a sum equal to what it spends, paying a low rate of interest. If the municipalities could get some direct help from the federal government they might be enabled to improve all their roads, and at the same time communications would be improved between various parts of the country.

A ferry is needed between Riviere du Loup and Tadoussac. Some years ago a small wooden boat gave a regular service in winter as well as during the summer between Tadoussac and Riviere du Loup, taking advantage of one of the currents that would take it from Tadoussac to Riviere du Loup on one day, and the following day from Riviere du Loup to Tadoussac. Thus there was constant communication the year round. As one is fully aware, the north channel east of Tadoussac along the north coast is never closed up by ice fields as the south channel is, with the exception already mentioned between Riviere du Loup and Tadoussac. I hope therefore that the Minister of Trade and Commerce (Mr. Low) will grant the request of the people of that district and of the city of Riviere du Loup and provide the ferry which is asked for. It is most important as it is the only connecting link in winter between that vicinity and that part of the north shore east of the Saguenay river. While speaking about highways I desire to say a few words about our railways. In my constituency at Riviere du Loup we have fine shops, good workingmen, and the equipment is up to date. The people there should be given an opportunity to secure employment. The Canadian National Railways line from Ste. Rosalie to Mont-Joli is a paying branch, but it is very hard to understand why the cars and engines used on that branch line are repaired in Moncton and Amherst. Such a transportation is very costly, and some cheaper and better work could be done at cost price at the Riviere du Loup shops of the Canadian National Railways. Cars marked O.K. at Moncton, supposed to have been well repaired have had to be sent back to Riviere du Loup to be put into proper condition. Another thing which it is difficult to understand is the fact that sometimes the Canadian National Railways send their own cars for repairs to foreign shops not belonging to the National system. It seems to me that we should give work to our own Canadian people and employees of the Canadian National Railways should have the preference. The work could be done by them at cost price, and this would be in keeping with the policy of economy preached by officials of the National Railways. My hon. friend from Victoria, Alberta (Mr. Lucas), has insisted on the shipping of grain through Canadian ports. I felt it my duty to join the delegation from the Maritime provinces, when it came here, in the request that Canadian grain should be shipped

via ports in this country. The Grand Trunk Railway now belongs to the country and is under the management of the Canadian National Railways. The branch from Montreal to Portland is a very paying line. Such result does not help the shipping of grain via Canadian ports. The trouble with the Canadian National Railways, as my hon. friend from Terrebonne (Mr. Prevost) has said, started with the purchase of the Canadian Northern at the enormous price of $700,000,000. We now have to pay a big interest on that huge amount. Let us remember that it is not the present government that made that mistake; the responsibility must rest with the Unionist government and especially on the shoulders of Sir Thomas White who was the attorney of Mackenzie and Mann. I have a great respect for the officers of the Grand Trunk Railway as well as for the officers and the employees of the Intercolonial. The officers of the Grand Trunk were handicapped by the fact that their directors were living in England; and the Intercolonial had always shown a surplus before the amalgamation of the railways. But the only value of the whole Canadian Northern system was the tunnel at Montreal—a hole. Apart from that the equipment was not worth anything although it was figured at $700,000,000. That was a piece of real crookedness. I cannot see how that railway could ever have been purchased at that tremendous price when it was worth nothing. It seems to me that the trouble with the Canadian National Railways is, first, that the property is over-estimated and secondly that it provides soft jobs. I was speaking a moment ago of the Canadian Northern. I understand that Mr. Hanna, while president of the Canadian National Railways, appointed as chief detective an ordinary detective who before had received a salary of approximately $1,200 a year, and he gave him a salary of $12,000 a year besides the use of a special car.

There are also heaps of officers in the dining and sleeping car department, of which Mr. Pratt is general manager. He is not a Canadian-born man, and he is rather an immigration agent. He has brought many of his friends from the Old Country here to give them jobs as inspectors in his department. It is funny to see nearly every conductor and porter followed by a guardian angel in the shape of an inspector on the Canadian National Railways. All these soft jobs could be done away with, and it would mean that much less money for the country to pay.

Another handicap of the Canadian National Railways has been the higher grades ordered by the people who wanted to destroy Laurier's work. Sir Wilfrid Laurier planned the Transcontinental to be a connecting link between all provinces and to develop new parts of this country, but when the Tories replaced him in power they did not like the glory he had won as Prime Minister, and they wanted to destroy his work, as the Germans have destroyed the northern part of France. That is why they changed the plans of the Transcontinental railway and made the grades higher, so that the traffic would be much less. They used that trick to give themselves a chance to criticize the Laurier administration, and the country has to suffer in consequence.

No one can be surprised that the Canadian National Railways sometimes come to the government for help. The Canadian Pacific Railway, which is now a paying concern, has repeatedly come to the government for grants of lands and grants of millions of dollars. The Canadian Pacific has been very well administered, and it is now one of the most important companies in the world. Quite a number of people give credit to Sir Henry Thornton for the reorganization of the Canadian National Railways. He certainly deserves some, but he is being helped by very capable men from the Grand Trunk and from the Intercolonial. He is at present chairman and president of the Canadian National Railways. I belive the duties of those two positions are too much, and I would suggest that the position of chairman should be occupied by the hon. Minister of Railways, in order that he might survey the way the railway is administered by the board of directors. Moreover, there should be no mystery made of the details of the administration of the road when questions are asked by members of the House. Sometimes we are called on to vote subsidies, and it is only justice and fair play that we should know why we have to pay them.

Another thing I must insist upon is fair treatment for the employees of the Canadian National Railways. I ask that the system of promotions should be adopted all along the line, all the time. It encourages employees to work well and do their best in the interests of the railway. Then I also ask that the correspondence of the employees with the officials should be carried on in both languages, that the correspondence should be in French when the employee is French and writes in French. The officials of the Canadian National Railways should also have a little touch of kindness and they will be rewarded by the gratefulness of the employees. It is not impossible to make a railroad pay, even one which is in a bad position. I read

some time ago that Mr. Henry Ford had bought a railway which was far from being a paying proposition, and that he had reorganized it, and now it pays well.

Before closing, I would like to say a few words on the bankruptcy law. There have been strong protests against this law by people of every class in the province of Quebec—by the Prime Minister of our province and the Minister of Agriculture, as well as from the barristers and leading men in all walks of life in our province. We had a good law before. It was our own law. It was working properly, but now we have a law that nobody understands. It is one of the worst laws ever passed by parliament. When you start reading an article in it, it is impossible to understand it. It is like a crossword puzzle that nobody can solve. Some people are very well satisfied with that law. They say the western people want it, but I believe my western friends are too intelligent to like that law, and I would ask the hon. Minister of Justice (Mr. Lapointe) to pay special attention to my remarks on this subject.

The trouble is that when a man has a judgment registered against him he receives numerous letters from trustees offering to help him by putting him through bankruptcy. The trustees are privileged and so are the lawyers of the trustee, and on the sale of the goods quite often not even the privileged creditors get anything, so that farmers cannot get money on mortgage except from relatives or close friends. This law does not suit the province of Quebec. Moreover it gives other people a bad opinion of the province. Let me give the House two instances of what has been done by trustees in cases of this kind. In one case a man who had property worth abouth $1,500 or $1,800, had five or six notes at the bank, most of them endorsed by his father and his brothers, and he had another creditor who was a stranger to his family. He got tired of receiving notices from the bank and he went to see a notary with a view to borrowing money on a mortgage. The notary said, "We will help you; go and see my friend the trustee." The trustee received the man very cordially and said, "I will help you, my dear friend; I will make you bankrupt." But the bank manager heard about it and he saw the trustee and told him he would report him to the attorney general if he proceeded as he had suggested; because the notes due to the bank were endorsed by relatives who were solvent and were ready to continue the endorsement. So to his shame the trustee had to change his mind about the usefulness of becoming bankrupt. In another case a man had sold a small yacht and as a guarantee for the payment of the purchase price took a mortgage on the purchaser's land. The purchaser used the boat for two or three years and one fall he left it on the shore and during the winter it was wrecked by the ice. The only guarantee the vendor had was the mortgage on the purchaser's land. The purchaser sued the vendor for breach of contract, alleging that the boat was not according to the contract. When he saw that he was going to lose his case—the fees were then pretty high—he took out bankruptcy proceedings. The result will be this: The trustee will be paid, as a privileged creditor; the lawyers of the trustee, who were the lawyers of the man who took the action, will be paid, and the creditor will get practically nothing. That is the way the law operates in the province of Quebec. I can state from my seat in this House, without fear of contradiction, that nine times out of ten when a man is sued for debt in the province of Quebec he receives numerous letters from trustees asking him to correspond with them with a view to having his case settled to his own satisfaction. The result is that the bankrupt loses all he has and the trustee gets it. It is most serious for the farmers. Sometimes when the harvest is poor and they want to borrow money to buy grain or hay or registered cattle, they cannot get the money on mortgage because of the fear of a lack of guarantee under the operation of this law. Suppose a man lends a farmer $1,000 and takes a mortgage on the farmer's property, to which the title is clear. Under that law fraud may be presumed within ninety days of the date of the bankruptcy, and if the farmer who has borrowed the money goes bankrupt within ninety days, the man who has made the loan has no guarantee of repayment; he is just an ordinary creditor. He comes after the trustee and after the lawyers of the trustee. I do not know how that law operates in the western provinces. If the people there are satisfied with it, so much the better for them, all I can say is that in the province of Quebec they are strongly protesting against it. If it suits the western people I suggest that it could be left to them, but we in the province of Quebec feel that we should come back to our own law of the civil code of procedure, which worked very well and gave fair play to the creditors.

I am about to take my seat, Mr. Speaker; I have just two further words to say. To my mind the only two ways of ensuring the

future of our country are by conservation and co-operation. As in the case of all nations that are both rich and young, general indifference to the protection and preservation of its natural resources has marked the history of the United States. Roosevelt, who was one of the greatest Americans, called a conference of governors in May, 1908, at the White House in Washington, to consider the condition of the natural resources of the United States. It was the first time a conference on this question was held in the United States. The conference, after deliberating for some days, adopted a resolution containing the following passage:

> We agree that further action is advisable to ascertain the present condition of our natural resources and to promote the conservation of the same, and to that end we recommend the appointment by each state of a commission on the natural resources to co-operate with each other and with similar commissions of the federal government.

Hon. gentlemen will remember the controversy between Mr. Pinchot, the Chief Forester of the United States and Mr. Ballinger. It was a very important controversy upon the urgency of conserving the natural resources of the United States. And what was the result? The result was that Mr. Ballinger, who was secretary of one of the departments when Mr. Taft was President, failed to gain his point, and this is one reason why Mr. Taft was defeated when he sought election for a second term. Here in Canada we have followed the example of the United States in regard to conservation, and I insist upon a constructive policy of conservation, by wise use, without waste and without monopoly, of the valuable resources still in the hands of the public.

The other question to which I attach a great importance is co-operation. There are two sorts of co-operation—co-operation in trade and co-operation in thought. I have just observed in the Encyclopaedia Britannica something very important upon the question of co-operation in trade in Great Britain. Of 1,459 societies affiliated with the co-operative union in 1919 no less than 1,357 were consumers' societies and 95 producers' societies. The membership of the consumers' societies was 4,131,477, and their trade over £314,000,000, while in the producers societies the membership was 39,331 and the trade £7,000,000. I should like co-operation to be carried out to the greatest degree possible in this country; I think it would help the people and would contribute to a greater future for the country.

As for co-operation in thought, I think that we might use the words of the President of the United States, Mr. Coolidge, uttered lately in Washington when he said that he would be openly and candidly American. We must see to it that we shall be openly and candidly Canadian.

Let me say in conclusion that I shall do my best to be worthy of my great grandfather, my grandfather, and my father, who preceded me as representatives of Temiscouata in this House, and that I shall do my best to represent my constituents in the most acceptable manner.

On motion of Mr. Humphrey the debate was adjourned.

On motion of Mr. Lapointe the House adjourned at 12.55 a.m.

END OF VOLUME II.